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பொது நிர்வாக, உள்ளாட்டலுவல்கள், மாகாண சபைகள் மற்றும் உள்ளாராட்சி அமைச்சு

Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government

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இலங்கை உள்ளூர் ஆளுகை நிறுவகம்

Sri Lanka Institute of Local Governance



වාර්ෂික වාර්තාව 2020

ஆண்டறிக்கை 2020

ANNUAL REPORT 2020

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කොළඹ 07

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மலலசேகர மாவத்தை,
கொழும்பு 07

No.17,
Malalasekara
Mawatha,
Colombo 07

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01. Introduction

Sri Lanka Institute of Local Governance (SLILG) emerged in the background of the search for a developmental vision for Local Government in the country. In order to make this vision a reality, a Presidential Commission was appointed in 1997 to carry out a study and make recommendations in this regard. This Commission emphasized the importance of creating a national institute in order to fulfill the need of enhancing the performance of the local governance sector. The Presidential Commission considered that the local governance sector should be considered as an independent sector with self-authority which can directly contribute to the development activities and provide people with an efficient and satisfactory service to achieve their aspirations in order to uplift their living standards.

The Sri Lanka Institute of Local Governance was believed to be the most appropriate institute that can work towards achieving these goals. As an institute that is closest to the public, this has the ability to act as a representative body of the general public.

With these objectives, Sri Lanka Institute of Local Governance was established under the parliament act No. 31 of 1999 and its functions were commenced in October the same year.

This institute functions under the Ministry of Public Administration, Home Affairs, Provincial Councils and Local Government.

1.1. Vision

“Establishing a passionate and accountable Provincial and Local Government System and assuring high quality service delivery to the Community”

1.2. Mission

“Develop human capital to promote sustainable development in provincial councils & local government through advocacy, training & researches”

1.3. Mandate of authority of the institute

Sri Lanka Institute of Local Governance was established as a representative institute of the government sector to perform the following tasks as mentioned in the strategic plans.

- Training the members, officers and employees attached to provincial councils and local governments to perform their duties more effectively and efficiently with the aim of ensuring good governance in the country and creating a skillful staff within the institution, providing consultancy services to improve the institutional structure and management practicability of provincial councils and local government institutions.
- Providing a platform for the critical evaluation of management systems and processes of the provincial councils and local government institutes.
- Supporting provincial management development training units for management development.
- Providing necessary information to the hon. minister for formulating the national policies in local government.
- Collaborating with other organizations in Sri Lanka or abroad to publish books and magazines, broadcast information and conduct conferences and seminars about provincial councils and local governments.

1.4. Major Functional Areas



1.5. Message from the Governing Council

Twenty years ago, that is in 1999 the Sri Lanka Institute of Local Governance (SLILG) was created with a bold vision in mind by focusing on capacity building of the elected members and staff of the Local Government & Provincial Councils in Sri Lanka. SLILG has conducted in-house and overseas training programs for local government sector within and outside the country within this period. Training programs targeting a broad range of subjects relevant to local government are being conducted by the functional divisions established in SLILG. In line with this mission, SLILG has given training opportunities related to macroeconomic government policies, statistics in financial and legal issues for over 50000 government officers and elected members during its tenure.

During the year 2020, which was a most crucial and challenging year, the institute successfully conducted the training programs according to the implementation plan by organizing lectures, workshops and case studies in order to bring the knowledge spread across the globe to this region and conducted studies, research and consultancy on current topics related to local government fields. SLILG strongly endeavors, through its wide range of services, to create capacity development in its clientele by facilitating the development of knowledge, abilities and skills and to decide on appropriate set of interventions and strategies in addressing local government needs to the public sector and we look forward to the active participation of all stake holders to enhance professionalism at all levels in the field of regional development. While we take this opportunity to extend our special thanks to the honorable cabinet minister and state minister for the valuable guidance and advice to achieve the goals of the institute, we also thank the staff of the Sri Lanka Institute of Local Governance.

1.6. Objectives

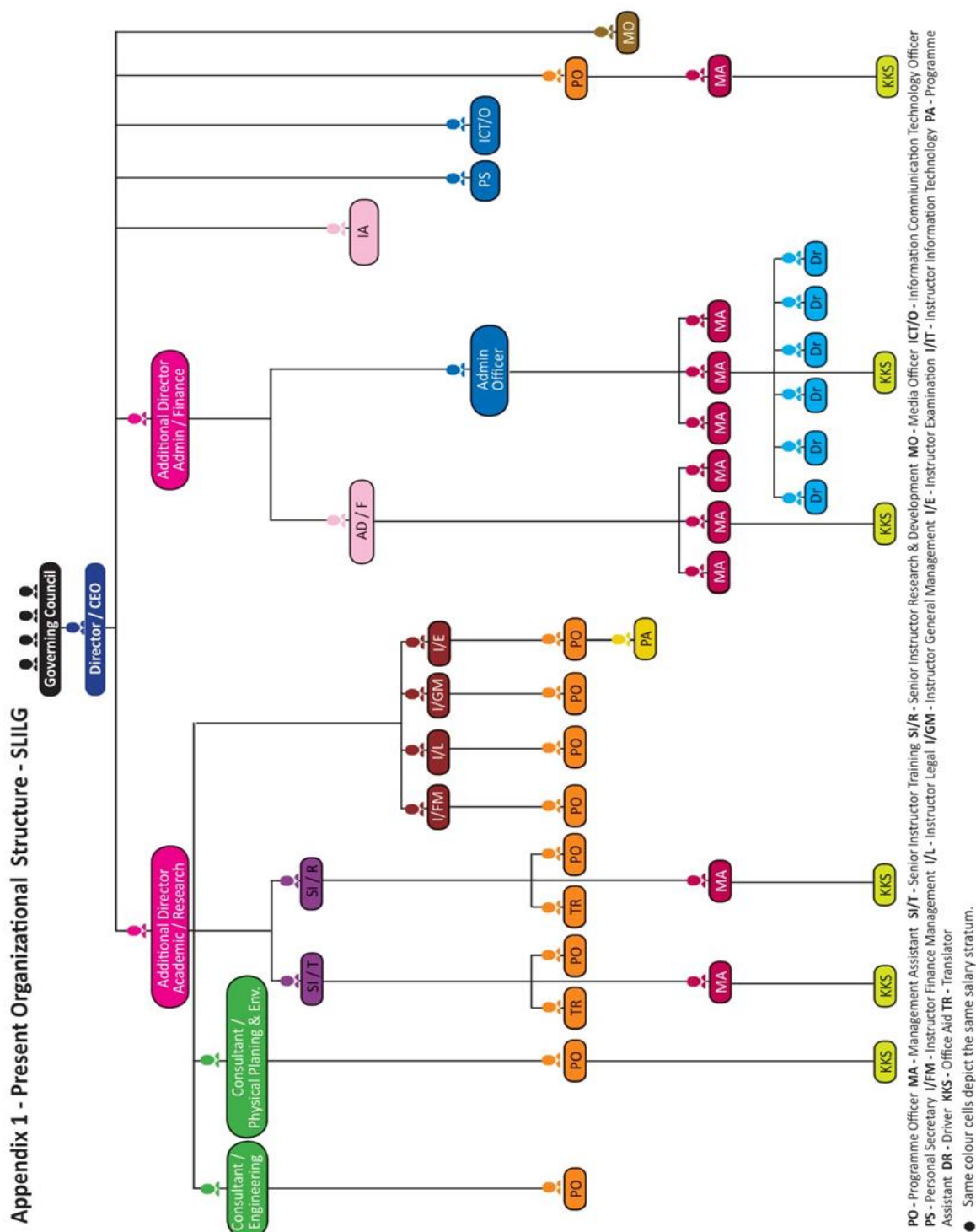
- To formulate programs for improvement of performance in order to enhance institutional strengthening of provincial and local governance in partnership with Provincial Management Development Training Units.
- To strengthen the capacity of Provincial Management Development Training Units towards formulating and delivering training programs for improving the performance of provincial councils and local government bodies giving assistance for the same.
- To function as a resource center for provincial councils and local government providing technical and other information to the stakeholders local governance.
- To function as the central institute for provincial and local governance in collaboration with relevant national and international institutions.
- To provide special support services in the development of human resources, improvement of management systems and facilitate organizational changes to sub national government institutions.
- To improve the performance of Sri Lanka Institute of Local Governance to enable efficient and effective provision of training, consultancy and research services for strengthening provincial and local government institutions.

In order to fulfil its corporate objectives, the Sri Lanka Institute of Local Governance carries out the following activities according to the mandate of authority given by the Incorporation Act No. 31 of 1999.

- Conducting National Level / Provincial Level Training Programs and Workshops
- Conducting Diploma Courses for Public Representatives
- Conducting Diploma Courses for Officers
- Conducting Certificate Courses
 - I. Certificate Course on Project Management
 - II. Certificate Course for Investigation Officers of Local governments
 - III. Certificate Courses in Computer Applications
 - IV. Certificate Course on Local Governance (Uva Province)

- Conducting training sessions on practical applications
 - I. Preparation of bylaws
 - II. Preparation of the final accounting reports of local government institutions
- Conducting research through various subject topics and working to present those reports.
- Conducting national and international seminars
- Publishing the local governance magazine every two months and the local governance journal annually.
- Publishing handbooks and handouts.

1.7. Organizational Structure of the Sri Lanka Institute of Local Governance



1.8. Staff employed in 2020



The number of posts approved by the institute according to the 01/2017 staff review was amended after a few discussions conducted by the Sri Lanka Institute of Local Governance (SLILG), Linear Ministry and Management Service Department. The total number of posts including the new posts was approved to be 51 and the task of preparing the recruitment procedures for the new posts has been assigned to the Sri Lanka Institute of Development Administrations (SLIDA).

The institute has identified that the improvement of the staff performance and the quality of work is essential to ensure the provision of a more efficient and effective service to the local government sector. Therefore, SLILG has organized various staff development programs to improve their knowledge, skills, and attitudes.

For this, the staff will be made to participate in national and international level training programs to improve their capabilities.

Table 01: The names and designations of the staff members of the Institute for the year 2020

No.	Name	Designation
01	Lawyer Mr. Jayantha Liyanage	Director / CEO
02	Mr. R.M.A.K. Rathnayake	Consultant (Physical Planning)
03	Mr. P.S. Dharmarathne	Deputy Director (Research and development)
04	Ms. K.A.P.R. Kariyapperuma	Deputy Director (Training and study)
05	Mr. P.A.D. Hiran Radeesha	Assistant Director (Finance)
06	Mr. Kusal Lokuhetti	Internal Auditor
07	Ms. S.A.S.S.N. Perera	Board Secretary and PA to the Director/CEO
08	Mr. A.E. Samararatne	Administrative Officer
09	Mr. Anjana Dodamgoda	ICT Officer
10	Ms. S.N.P. Rosa	Programme Officer
11	Mr. D.M. Jagath Pushpakumara	Programme Officer
12	Ms. A.D. Weeraseshara	Programme Officer
13	Ms. S.Y. Mahagodage	Programme Officer
14	Ms. P.H.U. Sandhamali	Programme Officer
15	Ms. M.D.I.D. Wijemanna	Programme Officer
16	Ms. Wageesha Jayawardana	Programme Officer
17	Ms. R.G.P.D. Dharmasiri	Media Officer
18	Ms. O.W.T.P. Owitipana	Management Assistant
19	Ms. H.D.M. Priyadarshani	Management Assistant
20	Ms. D.M.T. Randunu	Management Assistant
21	Ms. M.S.C. Wimalaweera	Management Assistant
22	Ms. A.P. Rathnahewa	Management Assistant
23	Ms. N.P. Wikramanayaka	Management Assistant
24	Ms. J.H.G.T. Perera	Management Assistant
25	Mr. B.G.C.B. Karunarathne	Driver
26	Mr. L.S. Sampath	Driver
27	Mr. N.H.D. Thushara	Driver
28	Mr. R.R.P.W. Sujath Bandara	Driver
29	Ms. B.G. Dingiri Amma	Office Aid
30	Mr. K. Kamal Krishantha	Office Aid
31	Mr. A.A.H.N. Adikari	Office Aid
32	Mr. N.S.D. Perera	Office Aid

02. Layout

2.1 Introduction of Sri Lanka Institute of Local Governance

The prime objective of this institute is to improve their organizational systems and management excellence in order to enable the provincial councils and local governments to provide people with an efficient and satisfactory service. Decentralization of administrative powers commenced with the introduction of the 13th amendment to the constitution in 1987. It is an essential condition that the powers that are vested be implemented correctly in order to achieve the objectives of transferring administrative powers and the primary objectives of democracy. Accordingly, it was expected to establish an institutional administrative role at provincial council level.

It has been Twenty One (21) years since the establishment of Sri Lanka Institute of Local Governance as mentioned above. During this period the institute has implemented its plans that should be put into operation annually and has effectively conceptualized the aims and objectives of the Institute under the guidance of the Governing Council of the Institute. The Institute has received invaluable co-operation of international local government institutes as well as local training institutes in achieving its conceptualized aims and objectives successfully within a short period of time. The contribution of the Line Ministry, Minister and staff of the Institute have helped immensely in achieving the expected objectives of the Institute. However, the decentralization program seems to have distanced itself from the objectives, especially during the process of implementation.

Examples for this can be mentioned as follows:

- Ensuring the Increase of efficiency resulting from decentralization and the distribution of resources for addressing the prioritized needs of society.
- Ability to enhance the responsiveness of decentralization in policy making and implementation of policies in addressing the needs of target groups.
- Positive influence of decentralization in poverty reduction and development activities.

- Implementing the decisions taken at these levels to reflect the high priority placed especially on people and citizens suffering from poverty.
- Concerns of decision making with the involvement of grass root communities in order to uplift their living standards.

2.2 Corporate Governance Statement

Name of the Institute	: Sri Lanka Institute of Local Governance (Incorporated by an Act of Parliament No. 31 of 1999)
Date of commencement of the Operations	: 15.10.1999
Registered Office	: No. 17, Malalasekara Mawatha, Colombo 07
Auditors	: Auditor General, Department of the Auditor General
Bankers	: Bank of Ceylon Independence Square Branch, Colombo 07.
Overseas Associations	: Commonwealth Local Government Forum (CLGF) Network of Local Government Training and Research Institutes in Asia and the Pacific (LOGOTRI)
Local Associations	: UNDP UNHABITAT CHRYSLIS OTI

2.3 Members of the Governing Council

The governing council consist of 13 members including ex officio members appointed by the honorable minister in terms of the Sri Lankan Institutions Act No. 31 of 1999 on Local Government and appointed members.

The ex officio members appointed according to 5 (a) of the act have been appointed by the following ministries.

- Secretary
Ministry of Provincial Councils and Local Government - Chairman
- Secretary
Ministry of Finance and Planning - Member
- Secretary
Ministry of Urban Development and Housing - Member
- Secretary
Ministry of Environment - Member
- Secretary
Ministry of Public Administration - Member
- Secretary
Ministry of Cultural Affairs - Member
- A university dean nominated by the minister in charge of higher education- Member

Following the 168th board of governors meeting held on October 2019, no board of governors meeting was held for the year 2020.

All the decisions related to the functioning and management of the Institute are made by the Governing Council and the governing council is also the discipline authority of the institute. The Governing Council of the Institute consists of secretaries to specified ministries and

representatives of professional organizations. The chairperson of the governing council is the Secretary to the Ministry of Local Government & Provincial Councils.

The Director of SLILG, who is also the convener of the Council, is the Chief Executive Officer of the Institute. He acts on the overall guidance of the Governing Council. The Director is assisted by the Additional Directors, Consultants, Deputy Directors, Assistant Director (Finance) and the support staff.

2.4 Members of the Audit and Management Committee

The members of the Audit and Management committee of the Sri Lanka Institute of Local Governance is composed as follows.

- Member of the Governing Council
Ministry of Finance and Planning - Chairman
- Member of the Governing Council - Member
- Member of the Governing Council - Member

External Members

- Superintendent of Audit
Department of Auditor General - Member
- Chief Internal Auditor
Ministry of Provincial Councils and Local Governments - Member

The Audit and Management Committee comprises three members from the Governing Council. While the chief treasurer holds the position of the vice chairmen, two other members for the audit and management committee will be appointed by the governing council. In addition, Audit Superintendent in charge of the Auditor General's Department and Chief Internal Auditor of the Ministry of Provincial Councils and Local Government attend the Meetings of the Audit and Management Committee as main observers.

The internal auditor of the institute is the convener of this committee and four audit and management meetings are held annually. The Director, Administrative Officer and Assistant Director - Finance as well as other relevant officers will appear before the Audit and Management Committee whenever necessary for clarifications after being summoned by the Audit and Management Committee.

The Audit and Management Committee inspect the Financial Progress Reports prepared by the Accounts Officer/Asst. Director- Finance (Actg.) and submit recommendations to the Governing Council pertaining to the action that should be taken regarding it. The Audit and Management Committee discuss the observations, conclusions, and recommendations of the Auditor General's Department at its meeting.

In addition, the Audit and Management Committee evaluated the facts unveiled by the internal audit reports and the effectiveness of the auditing methodologies and provided the instructions and guidance necessary to minimize the shortcomings.

No Audit and Management meetings were held in 2020 since the Audit and Management Committee was not appointed concurrently with the Board of Governors not being appointed for the year 2020.

03. Reviewing the mandate of the authority and the role of the institute in improving the performance of provincial councils and local governments.

3.1 Consultancy service provided by the Sri Lanka Institute of Local Governance

The Sri Lanka institute of Local Governance has established eight (08) main divisions to provide training and Consultancy services.

- Engineering
- General management and human resource development
- Physical planning
- Financial management
- Legal and Legislative affairs
- Research and development
- Training and study
- Information and communication technology

3.2 Target Group

The beneficiaries of the four activities carried out by the institute namely training, research, consultancy services and dissemination of information are the representatives and officials elected for the provincial councils and the local government institutes functioning in the 9 provinces of Sri Lanka.

The number of Local Government Institutions was 341 by 2020, and they were distributed as 24 Municipal Councils, 41 Urban Councils and 276 pradesheeya sabhas. Selection of members for all the institutions are being done through a mixed electoral system and around 8,500 public representatives are appointed in one election. Since Local Government Institutes are the basic service delivering institution that provide local services to the public, it's the task of the members to take decisions with a good understanding and knowledge about the sacrifices and principles of the current good governance and emphasize transparency and accountability.

Moreover, a staff capacity of about 50000 are working in the local governance sector as office officers, field officers and other officers while each target group type differ from each other and training programs are designed to match the needs identified through the analysis of training needs and discussions done with the provincial management units. At provincial level, the institute fulfils a major role in planning and conducting training programs by integrating with the provincial training units.

In that manner, each year the goal is to show how to deliver the provincial level democratic processes which the local governments and provincial councils are committed to fulfill and to properly align the capacity development process of local governments and provincial councils accordingly.

Table 02: Distribution of Local the Authorities are as follows.

Province	District	No. of Municipal Councils	No. of Urban Councils	No. of Pradeshiya Sabhas	Total
Western	Colombo	06	05	03	14
	Gampaha	01	05	12	18
	Kalutara	00	04	13	17
North Western	Kurunegala	01	01	19	21
	Puttalam	00	02	10	12
Central	Kandy	01	04	17	22
	Matale	02	00	11	13
	Nuwara eliya	01	02	09	12
Sabaragamuwa	Kegalle	00	01	11	12
	Ratnapura	01	02	14	17
Uva	Badulla	02	01	15	18
	Monaragala	00	00	10	10
North Central	Anuradhapura	01	00	17	18
	Polonnaruwa	01	00	07	08
South	Galle	01	02	17	20
	Matara	01	01	15	17
	Hambantota	01	01	10	12
North	Jaffna	01	03	14	18
	Kilinochchi	00	00	03	03
	Mannar	00	01	04	05
	Vavuniya	00	01	04	05
	Mulativu	00	00	04	04
East	Ampara	02	01	17	20
	Trincomalee	00	02	11	13
	Batticaloa	01	02	09	12
TOTAL					341

3.3 Coordination and Supervision

Co-ordination and monitoring of training activities implemented by Provincial Management Development Training Units and Local Government Commissioners are considered to be important activities implemented by this institute. The progress of these activities is reviewed through monthly review sessions conducted by the Provincial Management Development Training Units (MDTU) and the Sri Lanka Institute of Local Governance.

Provincial Management Development Training Units meetings conducted by Sri Lanka Institute of Local Governance



3.4 Business Promotions

The past experience of the SLILG makes it clear that various governmental and non-governmental organizations seek the support of the SLILG for the implementation of their projects related to local governance. It is necessary to filter all these activities in order to identify the result-oriented projects. These business promotion activities are conducted under the supervision of the Director of the SLILG. After negotiating with the relevant organizations, the Director has taken measures for the appropriate implementation of the programs with the approval of the Governing Council as well.

3.5 Linkages with National / International Training and Educational Institutions

Sri Lanka Institute of Local Governance is linked with both national and international organizations. These linkages have been maintained in a way that both parties are mutually benefited. The linkages thus established have helped in creating the opportunity for enhancing overseas training opportunities.

SLILG expects to exchange information with organizations such as USAID, UN-HABITAT, UNDP, CHRYSALIS, DFAT - Australia, World Bank and the European Union.



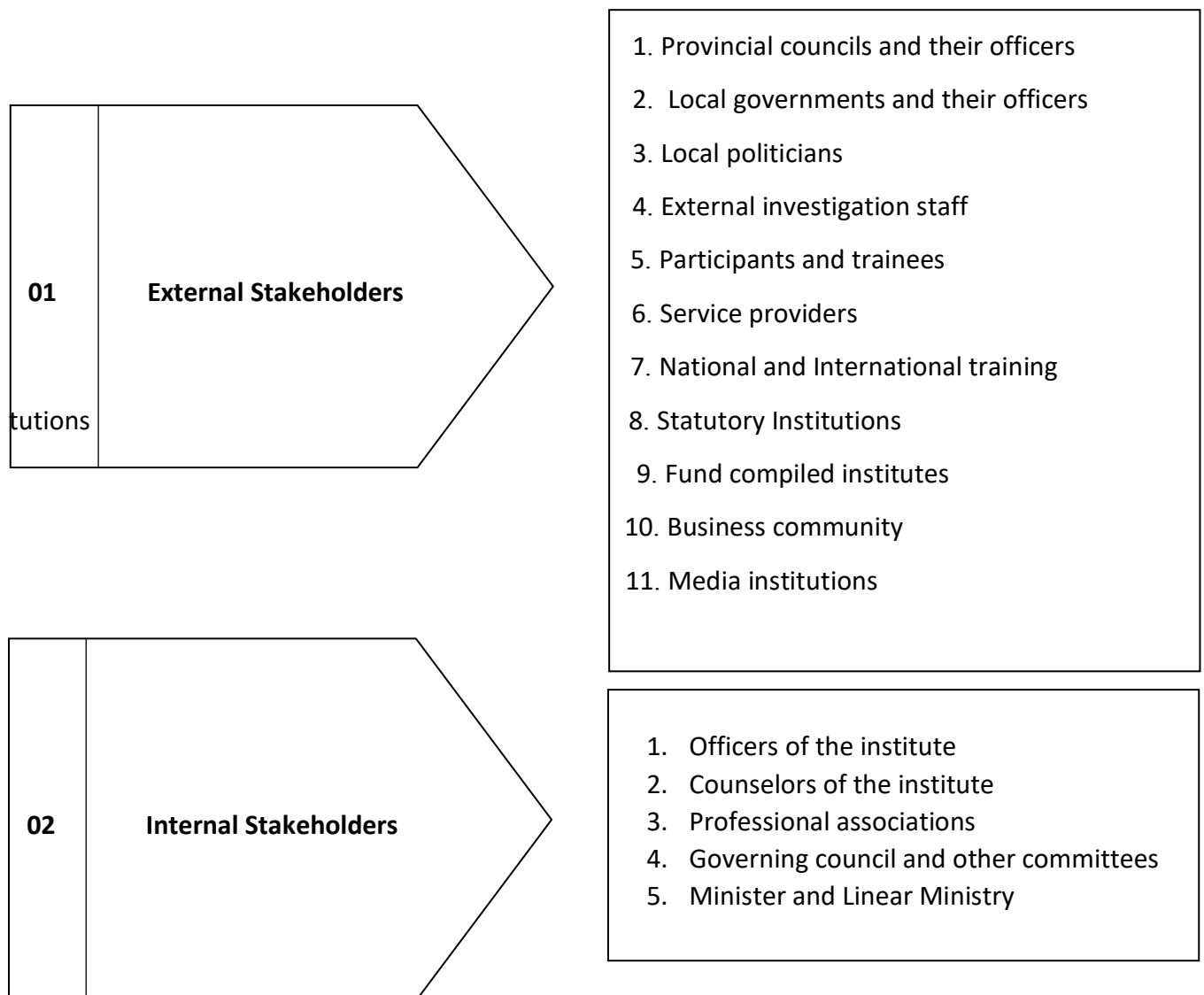
European Union
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3.6 Organizational environment of the Sri Lanka Institute of Local Governance

This institute that functions as a statutory institute towards the improvement of the performance of provincial councils and local governments is also constantly affected by the changes in the existing factors of the organizational environment. The following factors are taken care of by the institute in order to properly fulfil the objectives and responsibilities of the institute while functioning appropriately in the environment.

- Political factors
- Economic factors
- Socio-cultural factors
- Technological factors
- Legal factors
- Environmental factors

3.7 Stakeholder Structure of the Sri Lanka Institute of Local Governance



The institute continuously understands that the decisions taken within its functionality as a national level training institution effects the stakeholders and that the stakeholders effect the functionality of the institution. Among them, the ministry, minister, governing council, academic staff, internal staff as internal stakeholders will have a huge impact as stakeholders that involve directly.

The Sri Lanka institute of local governance is inclined to take the following actions as an institution in the future to expand the role of the institution in improving the performance of local government institutions.

- Creating and maintaining a continuous pool of academic and professional staff in the institute to make it possible to provide the most updated and relevant educational and development programs.
- Further development of the capabilities to conduct more useful research for public services and compilation of policies.
- Developing the infrastructure facilities of the institute, introducing new technology and creating a more suitable study environment in such a way that a positive image of the institute is created in the clients.
- Working to create and maintain a more optimistic and strong relationship with its clients and other parties.
- Developing as an attractive brand name to address the target market both nationally and internationally.
- Building a good relationship with foreign institutes for the exchange of technology and digital knowledge.

3.8 Special Events of the Sri Lanka Institute of Local Governance

Contract based agreement between Sri Lanka Institute of Local Government and UNDP for capacity development of local government institutions.



‘Saraprabhagira’ radio conversation on the role and future proceedings of the Sri Lanka Institute of Local Governance



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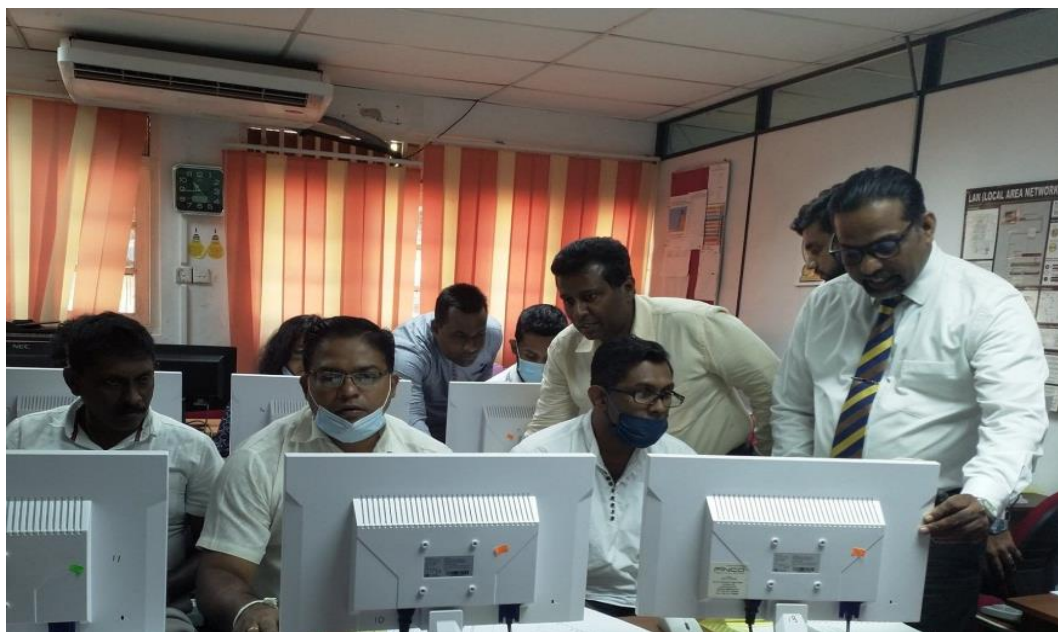


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Initiation of the certificate course on computer application for public representatives



Initiation of the certificate course on political science for public representatives



Initiation of cultivation within the premises of Sri Lanka Institute of Local Governance



04. Overall performance of the institute during year 2020

4.1. Short term training programs held at provincial council and local government levels in the year 2020

Table 03

Division	Training Program	Number of training programs planned to be conducted in2020	Number of training programs conducted in2020	Number of trainees
Engineering Division	Training program on maintainance of vehicles and equipment	9	3	146
	Training program on contracts and planning	4	1	27
	Training program on energy protection systems	5	2	110
	Training program on green construction	9	3	122
General Management Division	Human resource management	9	1	41
	Attitude and skill developmenttraining program	9	2	82
Physical Planning and Environmental Division	Training workshop on the personal hygine of sanitary workers	9	2	103
	Training workshop on waste seperation, recycling and related technology	9	2	131

	Training workshop on landscaping	1	1	55
	Training workshop on waste management	1	1	54
Financial Management Division	Preparing the final accounts for local governance institutes	9	4	168
ICT Division	Training program on maintenance of computer hardware	9	1	34
	Training program on computer networking and cloud technology	9	1	28
	Training program on management of data and information	9	3	24
	Training program on usage of mobile computers and mobile phones	9	2	22
Legal Division	Training workshop on income and taxation of local government institutions	9	1	50
	Training workshop on local government law	9	2	78
	Training workshop on council affairs	9	2	123
	Training workshop on contract process	9	2	93
Education and Training Division	Programs conducted on the provincial level training requirements	10	4	154

4.2 Numerical information on the diploma and certificate courses implemented in the year 2020

Table 04

Division	Subject	Expected number	True number
Training and Study	Certificate course on approach to Political Science	01	02
	-Diploma course on local governance For officers	01	01
	-Diploma course on local governance For public representatives	01	01
General management	Certificate course on Human Resource Management	01	01
Information Technology	Certificate course on computer usage	01	01

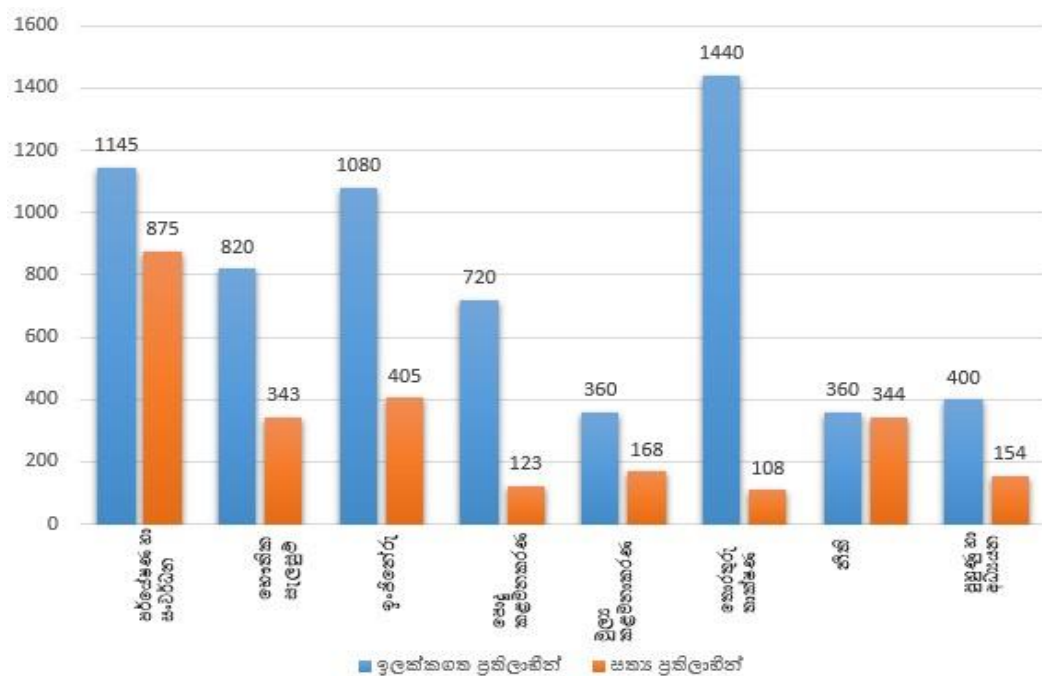
4.3 Numerical information on the researchers conducted by the Research and Development Division in the year 2020

Table 05

.No	Research Conducted	The institution and who conducted the research	Amount spent on the research	Current condition of the research
.1	Research study about the existing problems related to human resource management and its future consequences in local government institutes	Stakeholders selected to represent local government	₱412,25.461	The research has been completed and the report has been submitted.
.2	Study about the relationship between provincial councils and local government institutions	Stakeholders selected to represent provincial councils	₱217,07.719	The research has been completed and the report has been submitted.

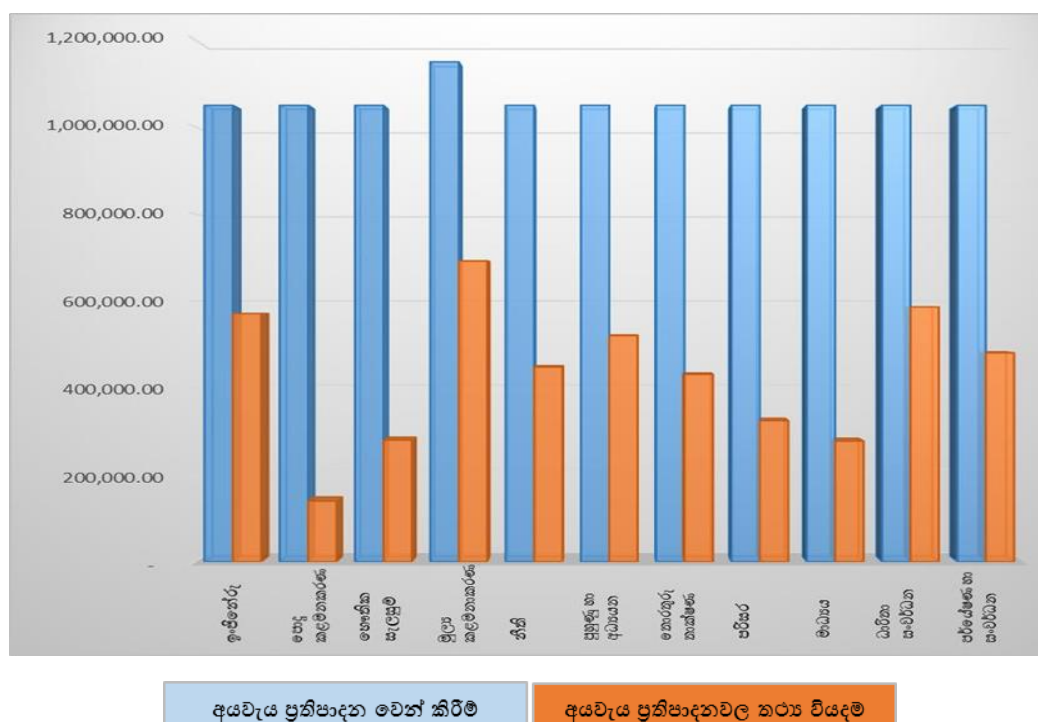
4.4 Targeted and true beneficiaries

Diagram 1



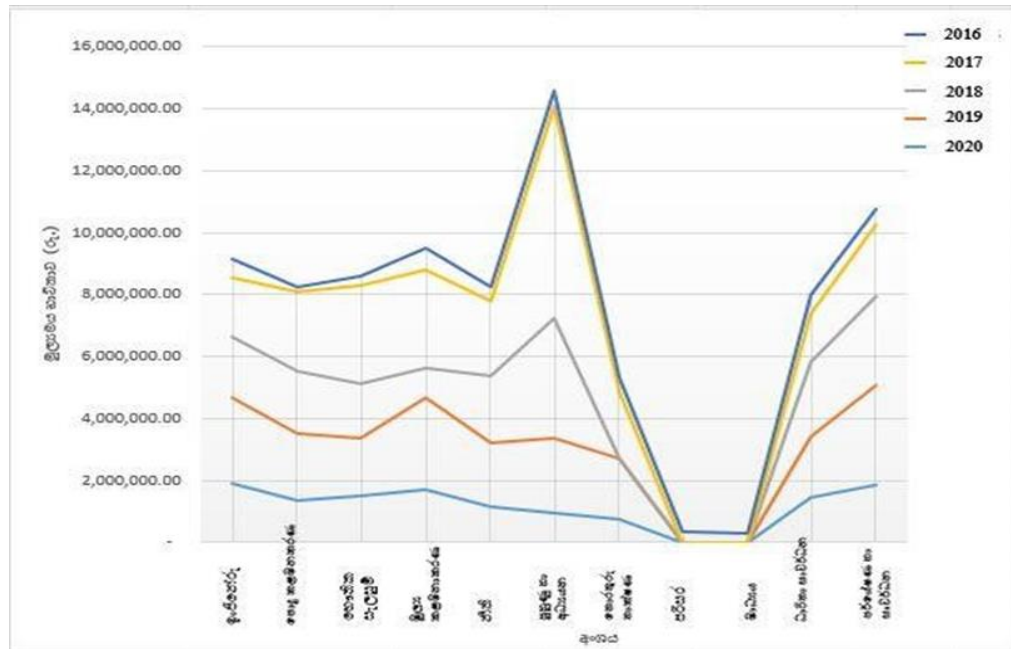
4.5 Budgeted allocations and true expenses of all division

Diagram 2



4.6 Comparison of Financial utilization of treasure funds Year 2016, 2017, 2018, 2019 & 2020

Diagram 3



4.7 Profit/Loss situation of the past few years

Diagram 4



4.8 Information on the Performance of each division of the institute

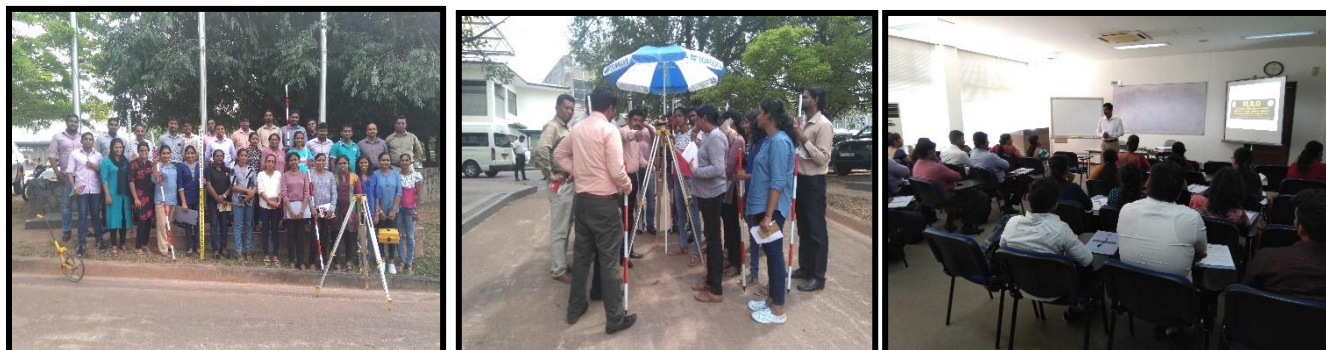
4.8.1. Engineering Division

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 570,697.00
- Number of completed programs/ workshops - 09
(Including provincial level programs)
- True beneficiaries - 405
- Percentage of money used - 54%

Code	Name of program activity	Target group	Time period	Month	Number of programs
SLILG/07/NL/20-01	Training program on maintainance of vehicles and equipment	Technical officer/ driver	02	January- Western Province, February- Northwestern Province, September – Central province	03
SLILG/07/NL/20-02	Training program on contracts and planning	Technical officer/ Work superintendent	02	February- Western Province	01
SLILG/07/NL/20-03	Training program on energy protection systems	Technical officer/ electricity mechanic	01	February- Central Province, March- Western Province	02
SLILG//71NL/ 74-2727	Training program on green construction	Technical officer/ work superintendent	01	February- Sabaragamuwa Province, March- Uva Province, September- Southern Province	03

The Engineering Division of SLILG bears the complete responsibility of improving the performance of Technical Departments of Local Authorities and Engineering Divisions of Provincial Councils. These objectives are expected to be achieved through training and research activities designed in

accordance with the institutional objectives. Engineers, Work Superintendents and Technical Officers are given training in relevant selected areas. In addition, programs on capacity building are provided to Technical Officers and Provincial Engineers attached to Provincial Councils.



4.8.2. General Management & Human Resource Development Division

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 139,645.00
- Number of completed programs/ workshops - 03
(Including provincial level programs)
- True beneficiaries - 123
- Percentage of money used - 13%

Code	Name of program activity	Target group	Time period	Month	Number of programs
GM /01	Training workshop on human resource management	Development officer, Community development officer, Management service officer	02 Days	January-Southern Province	01
GM/02	Workshop on attitude and skill development	Development officer, Community development officer, Management service officer	02 Days	February-Western province, September-Northwestern Province	02

The General Management Division of the SLILG is set up to enhance the management skills of the elected members and the staff of Provincial Councils and the Local Government Institutions of Sri

Lanka. The Institutional strengthening programs implemented under this division are especially focused on the contemporary capacity building needs of the Provincial Councils and the Local Government Institutions. Priority is given to raise the general awareness on devolution and good governance among political leaders, government officials and the civil society. In addition to the national level programs, programs that have been specially prepared according to the needs are to be introduced as well. The action plan for every year is formulated after scrutinizing the best practices in local governance in the country as well as in the region. Especially the present situation and the existing capacity levels of the provincial councils and local authorities are considered. One day workshop on attitude development and certificate course on human resource management are the programs launched by this division.

Role

- Development of management skills of members and staff that are selected to provincial council and local government institutions to establish good governance.
- Capacity development enabling improvement of self-performance of members and staff that are selected to provincial council and local government institutions and attitude change enabling provision of a more optimum public service to the community.
- Developing the partnership between private and public sectors to avoid any hurdle for the development in sub national level if present.
- Improvement of the efficiency, practicability, and productivity of the institutions to provide a better service to the public and to satisfy other customers.

Every year the action plan is compiled after careful consideration and checking of the good practices related to local governance within the country as well as the region. Especially, the current situation and practicability level of the local government institutions are considered here.



4.8.3. Physical Planning and Environmental Division

Physical Planning

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 279,871.00
- Number of completed programs/ workshops - 01
(Including provincial level programs)
- True beneficiaries - 55
- Percentage of money used - 27%

Environment

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 324,471.00
- Number of completed programs/ workshops - 05
(Including provincial level programs)
- True beneficiaries - 288
- Percentage of money used - 31

Code	Name of program activity	Target group	Time period	Month	Number of programs
SLILG/19-WMEC-05/2020	Training workshop on waste management	Public representative, Secretary, Commissioner Environment officer, Development officer, Technical officer	01 Day	January- Northwestern Province	01
SLILG/19-WMEC/03-NWP/2020	Waste separation, recycling and related technology	Public representative, Secretary, Commissioner Environment officer, Development officer, Technical officer	02 Days	February- Northwestern and central provinces	02
SLILG/19-WMEC/05/2020	Training workshop on the personal hygiene of sanitary workers	Sanitary workers, Work supervisor, Technical officer	02 Days	February- Western Province, September- North Central Province	02
SLILG/13/NL/2020-02	Training workshop on landscaping	Staff of Rathnapura Municipal Council	02 Days	Ratnapura Municipal Council	01

The main aim of this division is to improve the performance of political representatives and other officers of provincial councils and local governments through the improvement of knowledge, attitudes, skills, and quality of service of the physical planning field. The final goal is to improve the living condition and environment within the relevant local government area.

This division that functions under the leadership of a full-time consultant is also supported by a physical planning officer. Approving building plans, identifying locations, using lands efficiently and justly, completing the legal provisions related to land usage and building planning are the tasks assigned to local government institutions. The local government institutions expect to prepare plans according to Urban Development Authority and National Physical Planning Department laws and other legal ordinances and legal reforms. Therefore, this division covers a very important area of local government activities based on a development background.

Role

- Providing training opportunities for the members, officers and employees of provincial councils and local governments with the aim of developing their skills enabling them to perform their own official duties more efficiently and practically.
- Consultation within the physical planning division regarding provincial councils and local governments.
- Working together with other institutions in Sri Lanka and foreign countries with similar objectives to the objectives of this institution and division.
- Conducting research about physical planning related matters in provincial councils and local governments with the assistance of the research division of SLILG, promoting them and supporting research.



4.8.4. Finance Management Division

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 692,247.00
- Number of completed programs/ workshops - 04
(Including provincial level programs)
- True beneficiaries - 168
- Percentage of money used - 60%

Code	Name of program activity	Target group	Time period	Month	Number of programs
FM/08/NL/2 020-01	Preparing the final accounts for local governance institutes	Accountants, Finance officers, Secretaries, Investigation officers and other related officers	04 Days	February- Sabaragamuwa / Northwestern Provinces March- Southern Province September – North Central Province	04

The finance management division mainly targets the following matters.

Programs organized by the Sri Lanka Institution of Local Government on improving the knowledge and understanding about finance management in local government staff, conducting workshops on finance management for ministers selected by election, consulting for the improvement of the performance of finance management in local government institutions, training trainers of financial management has been immensely beneficial on improving the performance of local government institutions.

Role

- Preparation and submission of financial statements
- Preparation of budget control and monitoring
- Raising awareness about the Sri Lankan accounting standards and their application
- Preparation of cash flow statements and fund flow statements
- Raising awareness on auditing and auditing standards in Sri Lanka
- Raising awareness on internal control systems
- Conducting a diploma course on local government finance management
- Providing in-service training on preparation of financial statements



4.8.5. Legal and Legislative affairs Division

- | | |
|--|--------------------|
| • Allocated budget | - Rs. 1,050,000.00 |
| • Amount of money used | - Rs. 447,865.00 |
| • Number of completed programs/ workshops
(Including provincial level programs) | - 07 |
| • True beneficiaries | - 123 |
| • Percentage of money used | - 43% |

Code	Name of program activity	Target group	Time period	Month	Number of programs
LD/09/NL/2020/01	Training workshop on income and taxation of local government institutions	Secretary and subject in charge officer	02 Days	February	01
LD/09/NL/2020/02	Training workshop on local government law	Respected public representatives, secretary and subject in charge officer	02 Days	February, March	02
LD/09/NL/2020/03	Training workshop on council affairs	Respected public representatives, secretary and subject in charge officer	01 Days	January, February	02
LD/09/NL/2020/04	Training workshop on contract process	Secretary and subject in charge officer	01 Days	February, September	02

The Legal and Legislative Affairs Division of SLILG is mandated to strengthen the legislative capacities of elected members and officials of Sub – National Government Institutions in Sri Lanka. The Provincial Councils and Local Authorities, which constitute the Sub – National Government of the country, derive their legal mandate by the respective governing legislations. Therefore, the constitution, establishment, powers and functions of them have been built on a legislative foundation.

It has been observed that, elected members and officials of Provincial Councils and Local Governments lack the legislative capacities namely drafting, reviewing, validation and approving by–Laws and statutes as well as applying the prevailing laws in day-to-day activities. This has been identified as a major drawback which led Provincial Councils and Local Governments to face a wide range of legal issues, irregularities, malpractices, and violation of laws.

The programs of the Legal and Legislative Affairs Division have been specially designed after having identified and assessed the present situation, training needs and requirements of Provincial Councils and Local Governments and to address them effectively.

Further, a new program named “Certificate Course in Local Government Law” with a deeper emphasis on the constitution, by-laws, administrative law, judicial procedure, and council proceedings of local authorities has been introduced in order to solve the existing knowledge gap of Local Government Institutions about the general law of the country.



4.8.6. Training Division

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 520,262.50
- Number of completed programs/ workshops - 04
(Including provincial level programs)
- True beneficiaries - 154
- Percentage of money used - 50%

Code	Name of program activity	Target group	Time period	Month	Number of programs
T/07	Provincial management development training unit meeting	Deputy chief secretary, Training and local governance commissioner	2020	February	1
T/03	Diploma course on local governance 2019/2020 Began in 2019	Public representatives of local government institutions	Within 2020	From January to November	1
T/02	Diploma course on local governance 2019/2020 Began in 2019	Officers of local government institutions	Within 2020	From January to November	1
T/09	Provincial level training workshops	Officers of local government institutions	From February to October	From February to October	4

Activities related to training, which is one of the main functions among the four functions mandated by the Institute's Incorporation Act are done by the training division. Study division of the institute has carried out the following activities relating to human resource development of officers and elected members of provincial councils and local authorities.

Role

- Assessment of Training needs
- Identification of target groups
- Preparation of training manuals and modules
- Conducting programs on training trainers.
- Arranging training programs in key areas for members and staff of Provincial Councils and Local Government Institutions.
- Conducting of National level Diploma and Certificate Courses on Local Governance.
 - Diploma course in Community Development
 - Advance Diploma in Local Governance

- Certificate Course on Local Government for public representatives
- Supporting and strengthening the Management Development and Training Units and Provincial Councils and Local Governments for conducting Provincial and Local Government training.
- Coordinating, monitoring and evaluating the training programs conducted by Management Development and Training Units and Provincial Councils and Local Governments in local levels.
- Coordinating and implementing the functions of the external assignments implemented with foreign funded institutes.



4.8.7. Research & Development Division

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 480,527.32
- Percentage of money used - 46%

Code	Name of program activity	Target group	Time period	Month	Number of programs
SLILG/RD/01/2019-20	Research study about the existing problems related to human resource management and its future consequences in local government institutes	Stakeholders representing local government institutions	10 Months	From July 2019	01
SLILG/RD/01/2019-20	Study about the relationship between provincial councils and local government institutions	Stakeholders representing local government institutions	10 Months	From July 2019	01

The Research & Development Division of the SLILG support Local Authorities & Provincial Councils by conducting Research & Surveys and dissemination of their findings and recommendations for the policy making process to strengthen both the Local Government & Provincial Council sectors. Conducting capacity development programs based on the findings of the research studies is also a function of this division.

Role

- Bearing the responsibility of conducting research work on Local Government and Provincial Council sectors in order to develop their capabilities, Implementation of those work and

conducting and promoting research to improve the capacities and develop Local Governments Institutes and Provincial Councils.

- Implementation of the research findings with relevant Policy Makers and dissemination of them among the agencies.
- Link with National as well as International Research Bodies in the governance field.
- Revealing important fields for new research initiatives.
- Maintenance of a database of provincial councils and local government institutions.
- Documentation of Research outputs and publishing research findings relevant to Local Governments and Provincial Councils.
- Conducting courses on research methodology for relevant officials of the Local Government and Provincial Council sectors at National, Provincial & District levels.
- Providing the required training for elected members and officials of Local Authorities and Provincial Councils on development issues based on research findings.
- Research Studies – 2020 :
 1. Research study on human resource management issues faced by Local Authorities and their future constraints.
 2. Research study on the linkage between Provincial Councils and Local Authorities.



4.8.8. Information and Communication Technology Division

- Allocated budget - Rs. 1,050,000.00
- Amount of money used - Rs. 430,945.00
- Number of completed programs/ workshops - 08
(Including provincial level programs)
- True beneficiaries - 108
- Percentage of money used - 41%

Code	Name of program activity	Target group	Time period	Month	Number of programs
SLILG/11/NL/ICT /2020/03	Data and Information management of Local Authorities at SLILG Computer Lab	Members of local government institutions/ Subject related officers (Western Province)	01 Day	28/01/2020	01
SLILG/11/NL/ICT /2020/07	ICT Procumbent and Computer Hardware Maintenance at Mahagedara - Kurunagala	Subject related officers (Northwestern Province)	01 Day	26/02/2020 (Wednesday)	01
SLILG/11/NL/ICT /2020/06	Data and Information management of Local Authorities at Mahagedara Kurunagala	Subject related officers (Northwestern Province)	02 Days	27,28/02/2020 (Thursday and Friday)	01
SLILG/11/NL/ICT /2020/05	Data and Information management of Local NAICC - Gannoruwa	Subject related officers (Central Province)	01 Day	14/02/2020 (Friday)	01
SLILG/11/NL/ICT /2020/04	Mobile Computing and Internet Application	Members of local government institutions/ Subject related officers (Southern Province)	02 Days	06,07/02/2020 (Thursday and Friday)	01
SLILG/11/NL/ICT /2020/04	Cloud Technology & Networking at SLILG Computer Lab	Members of local government institutions/ Subject related officers (Western Province)	01 Day	06/03/2020 (Friday)	01

SLILG/11/NL/ICT /2020-11	Mobile Computing and Internet Applications at Mineripitiya (ETRDC	Members of local government institutions/ Subject related officers (Sabaragamuwa Province)	02 Days	16,17/09/2020 (Wednesday and Thursday)	01
SLILG/11/NL/ICT /2020-11	Provincial Requested Programme Computer Application & Presentation Skills at Don Bosco Nochchiyagama	Members of local government institutions/ Subject related officers (Sabaragamuwa Province)	02 Days	10/10/2020 and 07	01

The Information & Communication Technology Division is responsible for the operation and maintenance of the Information and communication sources such as the internal electronic mail services of the institute, computer network, databases and computer hardware and software. Apart from that, conducting training programs for IT officers of local government institutions is also a role assigned to this division.

Role

- Provision of email and internet service to the staff of the institute and local government sector.
- Development and Maintenance of the website.
- Maintenance of the computers and Local Area Network of the institute.
- Training of the local government staff to increase the IT literacy.
- Distribution of official information through email and internet.
- Providing IT based services to the ministry and agencies.
- Conducting training programs for the IT officers of Local Government Institutes.



4.8.9. Director Division

The director division is responsible for maintaining the overall affairs of the Sri Lanka Institute of Local Governance well. The director is the head of this division. Supervision and regulation of all activities done by the institution and maintaining a good relation with external parties is done by this division.

Units under the director division,

- Internal capacity development unit
- Media unit

Role

- Supervision and regulation of all activities of the institution.
- Capacity development of the staff.
- Conducting discussions with international and local organizations that function on local governance.
- Obtaining various projects to the institution and creating the required background to implement projects contractually.
- Conducting board meetings.
- Appointing academic consultation committee members and conducting meetings.
- Implementation of special projects assigned by the ministry.
- Maintaining the activities of the institution by connecting and communicating with external institutions.
- Organizing programs required for the capacity development of the institution staff.
- Preparation of annual reports and annual action plans.
- Carrying out publishing activities (Newsletters, Magazines) of the institution. -Media Unit
- Updating and maintaining the website and social media. – Media unit
- Maintaining the library of the institution. -Media unit
- Organizing various training programs and courses done by the institution based on timely needs. – Media unit

4.9. Assignments/Projects/Consultancy Services conducted by SLILG – 2020

4.9.1. Capacity development program implemented under the UNDP – CDLG project

On September 8th of 2020, the United Nations Development Program and the Sri Lanka Institute of Local Government signed an agreement for the capacity development of the North, North Central, East and Uva local governments under the Local Development Project (LDSP). Basically this agreement was made to conduct 160 programs and 05 programs were completed in the proposed year according to this program that began at the end of 2020.

05. Financial Information 2020

5.1. Audit Opinion 2020

NATIONAL AUDIT OFFICE

My No.} WNP2/CB/H/
SLILG/FA/2020

Your No.}

Date} 4th of October 2021

Chairperson,

Sri Lanka Institute of Local Governance

Auditor General's report in terms of section 12 of the National Audit Act No. 19 of 2018 on the financial statements for the year ended from 31st December 2019 of Sri Lanka Institute of Local Governance and other legal and regulatory requirements.

.....
The above report is attached herewith.

(Signed)

W.P.C. Wikramaratna

Auditor General

Copies:- 1) Secretary - Finance Ministry

2) Secretary - Ministry of public services, provincial councils and local governments

3) Secretary - Ministry of provincial councils and local government affairs

NATIONAL AUDIT OFFICE

My No.} WNP2/CB/H/

Your No.}

Date} 4th of October 2021

SLILG/FA/2020

Chairperson,

Sri Lanka Institute of Local Governance

Auditor General's report in terms of section 12 of the National Audit Act No. 19 of 2018 on the financial statements for the year ended from 31st December 2019 of Sri Lanka Institute of Local Governance and other legal and regulatory requirements.

.....

1. Financial Statements

1.1 Qualified Opinion

The financial statement as at 31st December 2020 of Sri Lanka Institute of Local Governance, financial performance statement for the year ended from that date, change of net assets statement as well as the the financial flow statement and the notes applicable to the financial statements and the financial statements for the year ended from 31st December 2020 consisted of summarized important financial policies were audited in terms of section 12 of the National Audit Act No. 19 of 2018 to be read in concurrence with the statute 154 (I) of the Constitution of Sri Lanka Democratic Socialist Republic of Sri Lanka. My report will be tabled in the Parliament as per statute 154 (6) of the Constitution in due course.

The financial status of the institution as at 31st of December 2020 through the
In my opinion, through the financial statements of the institution, the financial situation as of the 31st of December 2020 and its financial performance and financial flow for the year ended on the same date, furnish an accurate and fair situation in terms of Sri Lankan state sector standards.

1.2 Basis for the qualified opinion

The audit was carried out as per Sri Lanka Audit Standards (SLAS). My responsibility in terms of this audit standards has been further described in the Auditor's Responsibility on the Audit of the Financial Statements of this Report section. I do here with believe that the audit evidences taken by me for furnishing a basis for my quality opinion are sufficient and appropriate.

1.3 Other information included in the 2020 Annual Report of the institution.

Financial statements and information about them that are not included in my report even though they are included in the 2020 Annual Report of the Sri Lanka Institute of Local Governance which is expected to be given to me after the date of this audit report is referred to as other information. The management is responsible for this other information.

While other information is not covered by opinion related to financial statements, I do not express any kind of guarantee or opinion regarding it.

My responsibility in terms of my audit about financial statements is to read the other information identified above when I am able to receive it and in doing so, considering whether there is a sufficient mismatch of other information according to the financial statements or my knowledge received during audit or any other method.

If I conclude that there are sufficient misrepresentations when reading the 2020 annual report of the institution, I have to communicate those facts to the administrative parties for correction. If there are further misrepresentations that have not been corrected, I will be including them in the report that will be tabled at the parliament in due course according to the 154 (6) constitution.

1.4 Responsibilities of the Management and the Administrative parties on financial statements

It is the responsibility of the management to decide on the internal controls that will be required to prepare these financial statements according to Sri Lanka State Sector Accounting Standards as well as presenting them with justification and void of any false statements that can be developed due to fraud and errors.

It is the responsibility of the management to decide the capability of the continuation of the institution, and if not the management intend to liquidate the institution or the operations are to be winded up either when there is no other alternative, it is the responsibility of the management to keep accounts on the basis of continuity and reveal the matters pertaining to the continuity of the institution.

The responsibility of financial reporting process of the institution is held by the parties applicable for administration.

The institution should maintain books and records pertaining to its income, expenditure, assets and liabilities so that the institution is capable of preparing annual and contemporary financial statements in terms of sub section 16 (1) of National Audit Act No. 19 of 2018

1.5 Auditor's responsibility on the audit of financial statements.

My objective is to issue a justified confirmation that as a whole the financial statements are void of quantity false statements created from forgery and erroneous acts and to issue the auditor's report comprised of my opinion. Although the justified certification is a higher level certification, it will not be a confirmation that ensure the quantity false statements revelation at all times when performing the audit as per Sri Lanka Audit Standards. Quantity false statements may form due to the effect of forgery and erroneous statements formed individually and group - wise whereas it is expected that there will be influences to the economic decisions taken by the users of these financial statements.

I have audited with the professional judgement and professional doubtfulness according to the Sri Lanka Audit Standards. Furthermore,

- Planning and implementing appropriate audit procedures according to the situation when identifying and evaluating the risks of the quantity false statements that may appear in the financial statements due to frauds and errors, when acquiring a basis for the stated audit opinion. More than the effect of the quantity false statements occurring due to misrepresentation, the effect of fraud is more powerful due to reasons such as, collusion, forging documents, intentional avoidance, misrepresentation or bypassing internal controls.

- An understanding of the internal administration of the institution was obtained, not in the idea of expressing opinions on the success of the internal administration but for planning appropriate audit procedures according to the situation.
- The appropriateness of the accounting policies used, fairness of the accounting estimations and the related disclosures done by the management were appreciated.
- The decision to use the relevance of utilizing the basis of continuous existence of the institution for accounting based on the audit evidences obtained with regard to whether there is a quantity uncertainty on the continuous existence of the institution due to the incidences and circumstances. If I decide of a sufficient uncertainty prevailing, my attention of the audit report should be paid on the financial statements and if those revelations are insufficient, my opinion should be modified. However, the continuous existence may end based on the future incidents or situations.
- The overall presentation of the financial statements including the appropriate and fair inclusion of the transactions and events which were the basis for the structure and content of the financial statements and the disclosures were appreciated.

I inform the governing parties about the important audit findings, major internal administration weaknesses as well as the other particulars found at my audit.

2. Report on other legal and regulation requirement

2.1 Special provisions on the following requirements included in the National Audit Act No. 19 of 2018.

2.1.1 According to the requirements mentioned in section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the required information and clarifications for the audit and as per my investigation, proper financial reports were maintained by the institution.

2.1.2 The financial statements submitted by the institution according to the requirement mentioned in section 6 (1) (d) (III) of the National Audit Act No. 19 of 2018 are corresponding with that of the previous year.

2.1.3 The financial statements submitted contains the recommendations issued by me in the previous year according to the requirement mentioned in section 6 (1) (d) (IV) of the National Audit Act No. 19 of 2018.

2.2 Within the limitations of the actions taken and based on the evidences obtained as well as the quantity of the particulars furnished, nothing was brought into my attention to furnish following statements.

2.2.1 Direct or indirect availability of any relationship away from the general business relationship with regard to any agreement pertaining to the institution as per the requirement of section 12 (d) of the National Audit Act No. 19 of 2018.

2.2.2 Any action against a written law or the other general or special provisions issued by the governing board of the institution apart from the following observations as per the requirement of section 12 (f) of the National Audit Act No. 19 of 2018.

	Reference to Terms and conditions / orders	Description
(a)	Section 11(1) of Sri Lanka Institute of Local Governance Act No.31 of 1999	Even though the meeting of the governing council must be held at least once a month, after the 168 th governing council meeting held on the 25 th of October 2019, 24 governing council meeting that should have been held by the 18 th of June 2021 were not held.
(b)	Section 11(2) of Sri Lanka Institute of Local Governance Act No.31 of 1999	According to 5(1)(a)(i) of Sri Lanka Institute of Local Governance Act No.31 of 1999, the secretary of the Ministry of Provincial Councils and Local Government is the chairperson of the Sri Lanka Institute of Local Governance and even though the chairperson should inform the other members of the governing council before a minimum of 7 days and convene the governing council, the chairperson had not taken action to convene the appointed governing council.

(c)	Section 41 (1) of the National Audit Act No. 19 of 2018	There should be an audit management committee appointed by the governing council to assist them appropriately for each entity that's being audited. But the governing council of the Sri Lanka Institution of Local Governance had not taken action to appoint an audit management committee for the year under review and hold audit and management committee meetings.
(d)	15.1 (IX) of Chapter II of the Establishments Code of the institution and section 4 of the recruitment procedure of the institution	Grading and promoting of officers had not been formally taken place due to not conducting efficiency bar examinations on the due date.
(e)	No. 30/2016 and Public Administration Circular dated 29 th of December 2016	The fuel combustion of the 5 vehicles owned by the institution and the vehicle given by the ministry were not tested.
(f)	Chapter 6.5.1 of No. PED/12 Public Business Circular dated	Although the financial statements must be submitted to the auditor general within 60 days after the ending of the accounting year, the financial statements of 2020 were submitted on 30 th of June 2021

2.2.3 Except the following observations, taking action not in concurrence with the powers, activities and functions of the institution as per the requirement of section 12 (g) of the National Audit Act No. 19 of 2018.

Although implementing the disciplinary control in the subject of officers and employees belongs to the governing council according to section 13.1(b) of Sri Lanka Institute of Local Governance act No. 31 of 1999, a disciplinary investigation against an additional director regarding a financial fraud that has been conducted since 4 years by spending Rs. 600,000 according to the order of the governing council, was kept on hold by the director

of the institution without the governing council approval and had decided to accept her resignation and pay gratuity.

- 2.2.4 Not carried out the procurements and utilized resources of the institutions thriftily, efficiently and productively in terms of the applicable terms and conditions within the period as per the requirement of section 12 (h) of the National Audit Act No. 19 of 2018.

3. Other matters

- (a) Although all state statutory corporations should prepare a budget document and get it approved by the governing council not more than three months before the commencement of the relevant financial year according to section 8 of the Currency act No. 38 of 1971, the governing council approval for the budget document of 2020 was not obtained. Hence it was observed that the institution had incurred expenses without approved budget limitations. Also, the governing council had not paid attention to the annexure A mentioned in paragraph 9 of circular no. PED 01/2020 of the secretary of the Ministry of Finance and Economic Policy Development relevant to not approving a budget document for the year 2020 by the governing council.
- (b) While an action plan targeting to achieve the aims of the institution with a long term vision according to the orders of the state currency circular no. 01/2014 dated 17th of February 2014 was not prepared according to the priorities based on the annual budget and even though the expected outputs/results are included in those activities, the action plan prepared by the institution had not been prepared as such.

(Signed)

W. P. C. Wikramarathna

Auditor General

5.2 Financial Information

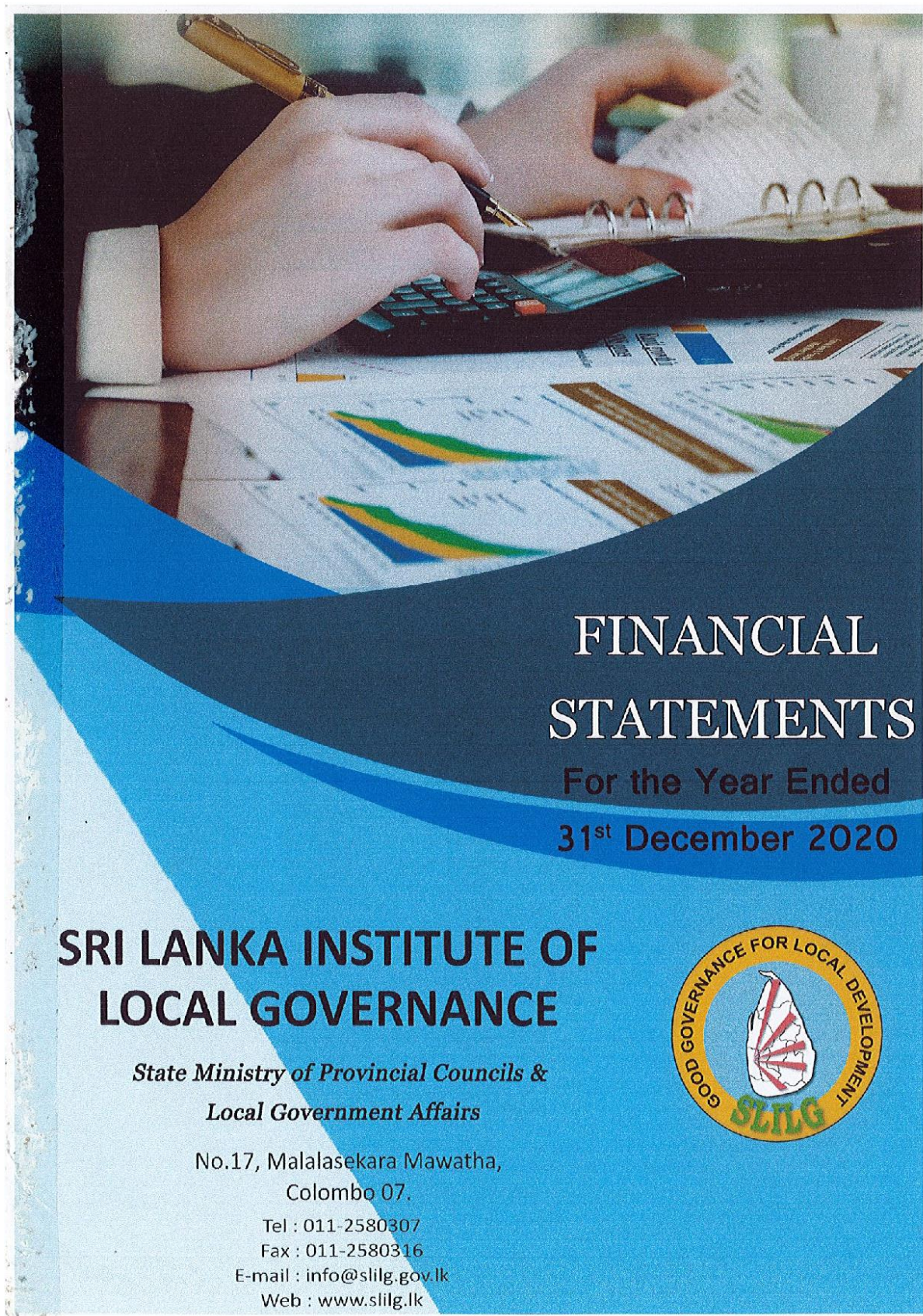


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SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 31st December 2020

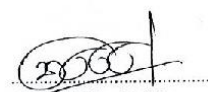
	<u>Notes</u>	<u>31/12/2020</u>	<u>31/12/2019</u>
Operating Revenue			
Government Contribution	01	40,620,000.00	62,665,000.00
Diploma Course Income	02	527,575.00	5,043,700.00
Certificate Course Income	03	2,040,800.00	954,600.00
Special Projects Income	04	2,322,478.94	4,836,363.25
Other Income	05	2,437,633.10	1,374,723.64
Total Operating Revenue		47,948,487.04	74,874,386.89
Operating Expenses			
Administration & Establishment Expenses	06	33,931,876.66	38,164,837.42
Human Resources Development Expenses	07	4,750,034.37	26,092,138.54
Diploma Course Expenses	08	835,941.99	1,302,763.50
Certificate Course Expenses	09	521,211.20	285,137.43
Special Projects Expenses	10	1,605,559.67	4,057,385.71
Retirement Benefit Obligations and Depreciation	11	8,992,443.04	5,925,713.86
Total Operating Expenses		50,637,066.93	75,827,976.46
Surplus / (Deficit) for the year		(2,688,579.89)	(953,589.57)

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE
STATEMENT OF FINANCIAL POSITION
As at 31st December 2020

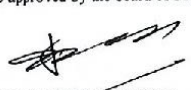
	<i>Notes</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
ASSETS*			
<i>Non-Current Assets</i>			
Property, Plant & Equipment	12	438,432,454.78	442,999,229.96
		<u>438,432,454.78</u>	<u>442,999,229.96</u>
WORKING CAPITAL			
Construction Building	13	45,357,072.25	45,357,072.25
<i>Current Assets</i>			
Stocks	14	1,839,863.80	1,697,796.75
Pre - Payments & Receivables	15	955,474.86	1,125,667.81
Debtors & Advances	16	10,242,347.64	11,451,890.71
Term Deposits		18,000,000.00	16,000,000.00
Cash and Cash Equivalents	17	20,125,616.45	16,341,070.76
		<u>51,163,302.75</u>	<u>46,616,426.03</u>
Total Assets		<u>534,952,829.78</u>	<u>534,972,728.24</u>
EQUITY & LIABILITIES			
<i>Government Contribution - Capital</i>		506,057,701.96	506,057,701.96
Accumulated Fund		(13,620,836.78)	(11,255,925.83)
UNDP Grant		714,658.79	714,658.79
Projects Contribution - Capital		1,595,824.75	1,595,824.75
Grant from Asia Foundation		291,000.00	291,000.00
NELSIIP Grant		669,599.88	1,034,834.88
Grant from Ministry of PC & LG		241,603.00	257,302.50
Revaluation Reserve		24,607,273.70	24,618,619.33
		<u>520,556,827.30</u>	<u>523,314,016.38</u>
<i>Non Current Liabilities</i>			
Retirement Benefit Obligations	18	9,005,625.50	7,433,048.50
Retention Money		1,512,000.00	1,512,000.00
		<u>10,517,625.50</u>	<u>8,945,048.50</u>
<i>Current Liabilities</i>			
Provisions - Audit Fees		636,000.00	700,000.00
Creditors & Accrued Charges	19	3,242,376.98	2,013,663.36
		<u>3,878,376.98</u>	<u>2,713,663.36</u>
Total Assets & Liabilities		<u>534,952,829.78</u>	<u>534,972,728.24</u>

The Accounting Policies & Notes on pages 05 to 15 from an integral part of these Financial Statements. We hereby, certify that These financial statements give a true and fair view of the state of affairs of Sri Lanka Institute of Local Governance as at 31.12.2020 & its Surplus/(Deficit) for the year then ended.


 Mr. Jayantha Liyanage - Attorney-at-Law
 Director/ C.E.O.


 Mr. P.A.D. Hiran Radisha
 Accounts Officer /
 Assistant Director (Finance) (Acting)

The Board of Directors are responsible for the preparation and presentation of these financial statements, These Financial Statements Were approved by the board of Directors and signed on their behalf


 Mr. S.D.A.B. Boralessa
 Chairman - SLILG / Secretary - State Ministry of
 Provincial Councils & Local Governments
S.D.A.B. Boralessa
 Secretary
 State Ministry of Provincial Councils
 and Local Government Affairs
 No. 330, Union Place,
 Colombo 02.


 Mrs. Aneja P. Guruge
 Member of Governing Council - SLILG /
 Additional Secretary - Ministry of
 Buddhasana, Religious & Cultural Affairs

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

CASH FLOW STATEMENT

For the Year Ended 31st December 2020

		<u>31/12/2020</u>
<i>Surplus /(Deficit) from Ordinary Activities</i>		<i>(2,688,579.89)</i>
<i>Adjustment of Non Cash Movements</i>		
<i>Depreciation</i>	7,165,866.04	
<i>Provision for Gratuity</i>	1,572,577.00	
<i>Provision for Audit Fee</i>	254,000.00	
<i>Adjustment of Contribution Revenue</i>	(380,932.50)	
<i>Increasing of Inventories</i>	(142,067.05)	
<i>Decreasing in Receivables</i>	170,192.95	
<i>Decreasing in Debtors & Advances</i>	1,209,543.07	
<i>Increasing of Creditors</i>	1,284,287.24	
		<u>11,133,466.75</u>
<i>Net Cash flow from Operating activities (1)</i>		<u>8,444,886.86</u>
<i>Cash flow from Investing Activities</i>		
<i>Payments for Acquiring Non Current Assets</i>	(2,611,899.00)	
<i>Investment on Term Deposit</i>	(355,506.85)	
<i>Net Cash flow from Investing Activities (2)</i>		<u>(2,967,405.85)</u>
<i>Cash flow from Financing Activities</i>		
<i>Interest income</i>	(1,692,935.32)	
<i>Net cash from Finance Activities (3)</i>		<u>(1,692,935.32)</u>
<i>Net Movement During the year (1) + (2) + (3)</i>		<u>3,784,545.69</u>
<i>Cash & Cash Equivalent at Beginning of the Period</i>		16,341,070.76
<i>Cash & Cash Equivalent at End of the Period</i>	Note 'A'	20,125,616.45
<i>Note 'A'</i>		
<i>Bank of Ceylon - A/C No. 2323344</i>		11,526,068.72
<i>Bank of Ceylon - A/C No. 2323350</i>		3,527,354.42
<i>Savings Account - Bank of Ceylon - A/C No. 2329975</i>		5,072,193.31
		<u>20,125,616.45</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended 31st December 2020

Description	Government Contribution Capital Rs.	Accumulated Fund Rs.	Grant From UNDP Rs.	Project Contribution - Capital Rs.	Grant from Asia Foundation Rs.	Grant from NELSIP Project Rs.	Grant from Ministry of PC & LG Rs.	Revaluation Reserve Rs.	TOTAL Rs.
Balance as at 01/01/2020	506,057,701.96	(11,255,925.83)	714,658.79	1,595,824.75	291,000.00	1,034,834.88	257,302.50	24,618,619.33	523,314,016.38
Surplus / Deficit for the period	-	(2,688,579.89)	-	-	-	-	-	-	(2,688,579.89)
Transfer for the period	-	-	-	-	-	-	-	-	(380,932.50)
Prior year Adjustments (Note A)	-	323,668.94	-	-	-	-	-	(11,345.63)	312,323.31
Balance as at 31/12/2020	506,057,701.96	(73,620,836.78)	714,658.79	1,595,824.75	291,000.00	669,599.88	241,605.00	24,607,273.70	520,556,827.30

Note A

Movements in Prior Year Adjustments

	Accumulated Fund Rs.
Adjustment of Unpresent Cheques in 2019	101,750.50
Adjustments of Receivables from G.C.U. Jayawardana	3,494.45
Adjustment of Salary Overpayment for R.M. Hemalatha	218,967.00
Adjustment of No Pay amount of R.P. Liyanarachchi	919.50
Adjustment of Prior year Depreciation	(1,462.51)
	<u>323,668.94</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2020

		31/12/2020	31/12/2019
Note 01 - Government Contribution			
2100 - 02	General Treasury - Recurrent	32,870,000.00	38,700,000.00
2101 - 03	General Treasury - Capital	7,750,000.00	23,965,000.00
	Total	40,620,000.00	62,665,000.00
Note 02 - Diploma Course Income			
2101-01-07-01	Advance Diploma In Local Governance 2016/17	-	39,975.00
2101-01-07-02	Advance Diploma In Local Governance 2007/18	-	354,925.00
2101-01-07-03	Diploma in Community Development 2017/18	-	45,000.00
2101-01-07-04	Diploma in Local Governance 2019/20 (Elected Members)	30,000.00	3,069,350.00
2101-01-07-05	Diploma in Local Governance 2019/20 (Officers)	497,575.00	1,534,450.00
	Total	527,575.00	5,043,700.00
Note 03 - Certificate Course Income			
2101-02-09-01	Certificate Course in Local Government Law 2018	-	60,000.00
2101-02-09-02	Certificate Course in Computer Applications 2018	-	83,000.00
2101-02-09-03	Certificate Course for Elected Members on Local Government 2018	-	30,000.00
2101-02-09-04	Certificate Course in Project Management 2019	-	389,800.00
2101-02-09-05	Certificate Course in Computer Applications 2019	-	389,800.00
2101-02-09-06	Certificate Course in HRM 2020	274,925.00	-
2101-02-09-07	Certificate Course in Computer Applications 2020	659,850.00	-
2101-02-09-08	Certificate Course in Political Science 2020	1,106,025.00	-
	Total	2,040,800.00	954,600.00
Note 04 - Special Projects Income			
2101-06	Chrysalis R&M Project	-	1,790,342.77
2101-08	UNHABITAT SLC Project	-	1,488,297.97
2101-09	UNDP New Accounting System for LA's	-	1,557,722.51
2101-10	UNDP CDIG Project	2,322,478.94	-
	Total	2,322,478.94	4,836,363.25
Note 05 - Other Income			
1505 - 01	Miscellaneous Income	-	94,000.66
1505 - 02	Interest on Staff Loan	268,259.76	356,075.47
1505 - 03	Sales of Publication	8,300.00	20,295.00
1505 - 05	Interest on Saving A/C	157,921.62	239,367.96
1505 - 06	Interest on Advances to employees	205.52	983.56
1505 - 07	Interest on Fixed Deposits	1,535,013.70	283,068.49
1505 - 08	Contribution Revenue	380,932.50	380,932.50
1505-09	Non Refundable Deposit	87,000.00	-
	Total	2,437,633.10	1,374,723.64

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2020

		31/12/2020	31/12/2019
<i>Note 06 - Administration & Establishment Expenses :-</i>			
	<i>Personal Emoluments</i>		
1503 - 01 - 01	Salaries & Wages	15,847,392.32	14,784,926.15
1503 - 01 - 02	E. P.F	2,714,771.20	2,756,955.66
1503 - 01 - 03	E. T.F	542,954.26	558,903.71
1503 - 01 - 04	Holiday Payments & O.T	428,009.71	1,149,600.33
1503 - 01 - 05	Other Allowance	4,656,357.46	5,236,000.41
	<i>Travelling</i>		
1503-02-01	Travelling Expenses - Local	77,720.21	382,310.56
1503-02-02	Travelling Expenses - Foreign	-	50,992.22
	<i>Supplies</i>		
1503 - 03 - 01	Stationary	652,991.37	1,668,638.13
1503 - 03 - 02	Fuel Lubricants	702,100.44	1,585,943.90
1503 - 03 - 03	Uniform	32,000.00	36,000.00
	<i>Maintenance Expenses</i>		
1503 - 04 - 01	Vehicles	1,912,285.47	2,902,026.68
1503 - 04 - 02	Plant, Machinery & Equipments	487,479.12	561,173.88
1503 - 04 - 03	Building	1,359,722.33	1,081,600.51
	<i>Contractual Services</i>		
1503-05- 01	Rates & Rent	243,936.00	243,936.00
1503-05- 02	Telephone	446,365.66	578,256.86
1503-05- 03	Postal Charges	131,102.40	132,429.50
1503-05- 04	Water & Electricity	1,072,739.10	1,305,637.73
1503-05- 05	Newspapers & Periodicals	37,155.00	46,500.00
1503-05- 06	Security Service	1,495,142.00	1,504,500.00
1503-05- 08	Advertising Expenses	257,428.80	594,222.50
1503-05- 09	Refreshments	138,198.69	159,343.90
1503-05- 10	Office Expenses	688,425.12	517,320.38
1503-05- 11	Bank Charges	7,600.00	550.00
1503-05- 12	Bonus Payment	-	315,000.00
1503-05- 13	With Holding Tax Expenses 2019	-	12,068.41
	Total	33,931,876.66	38,164,837.42

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2020

		<u>31/12/2020</u>	<u>31/12/2019</u>
Note 07 - Human Resources Development Expenses :-			
2201 - 05 - 01	H.R.D Expenses - National Level Training Programme		
2201 - 05 - 01 - 02	H.R.D. Expenses - Engineering Division	570,697.00	1,928,806.96
2201 - 05 - 01 - 03	H.R.D. Expenses - General Management Division	139,645.95	2,570,165.35
2201 - 05 - 01 - 04	H.R.D. Expenses - Physical Planning Division	279,871.50	3,160,540.45
2201 - 05 - 01 - 05	H.R.D. Expenses - Financial Management Division	692,247.35	3,170,038.88
2201 - 05 - 01 - 06	H.R.D. Expenses - Legal Division	447,865.00	2,402,075.50
2201 - 05 - 01 - 07	H.R.D. Expenses - Academic Division	520,262.50	2,443,477.20
2202 - 05 - 01 - 08	H.R.D. Expenses - ICT Division	430,945.00	2,168,532.60
2202 - 05 - 01 - 09	H.R.D. Expenses - Environment Division	324,471.00	-
2203 - 05 - 01 - 10	H.R.D. Expenses - Media Division	277,562.25	-
2201 - 05 - 03	H.R.D Expenses - Capacity Building of SLILG & Director Division	585,939.50	1,549,983.33
2201 - 05 - 04	H.R.D Expenses - Research Division	480,527.32	2,308,453.30
2201-05-02-07	H.R.D Expenses - Provincial Level	-	4,390,064.97
Total		<u>4,750,034.37</u>	<u>26,092,138.54</u>
Note 08 - Diploma Course Expenses			
2201-06-01-07-03	Advanced Diploma In Local Governance 2016/17 Expenses	-	20,400.00
2201-06-01-07-04	Advanced Diploma In Local Governance 2017/18 Expenses	11,600.00	463,326.00
2201-06-01-07-04	Advance Diploma In Local Government 2019/20	-	1,242.50
2201-06-01-07-05	Diploma in Community Development 2017/18	-	63,521.00
2201-06-01-07-09	Diploma in Community Development 2019/20	-	59,800.00
2201-06-01-07-10	Diploma in Local Governance (Elected Members) 2019/20	452,202.14	519,864.00
2201-06-01-07-11	Diploma in Local Governance (Officers) 2019/20	372,139.85	174,610.00
		<u>835,941.99</u>	<u>1,302,763.50</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2020

		<u>31/12/2020</u>	<u>31/12/2019</u>
<u>Note 09 - Certificate Course Expenses</u>			
2201-06-02-09-04	Certificate Course in Local Government Law 2018	-	3,358.00
2201-06-02-09-05	Certificate Course in Computer Applications 2018	-	7,906.00
2201-06-02-09-06	Certificate Course for Elected Members on Local Government 2018	-	8,600.00
2201-06-02-09-07	Certificate Course in Project Management 2019	-	146,599.23
2201-06-02-09-08	Certificate Course in Computer Applications 2019	-	118,674.20
2201-06-02-09-09	Certificate Course in Human Resources Management 2020	59,766.20	-
2201-06-02-09-10	Certificate Course in Computer Applications 2020	299,081.00	-
2201-06-02-09-11	Certificate Course in Political Science 2020	162,364.00	-
	Total	521,211.20	285,137.43
<u>Note 10 - Special Project Expenses</u>			
1504-04	Chrysalis RIM Project Expenses	-	1,725,652.44
1504-06	UNHABITAT SLC Project Expenses	-	1,100,491.84
1504-07	UNDP New Accounting System for LA's	-	1,231,241.43
1504-08	UNDP CDLG Project	1,605,559.67	-
	Total	1,605,559.67	4,057,385.71
<u>Note 11 - Retirement Benefit Obligations and Depreciation</u>			
2102 - 03	Gratuity	1,572,577.00	1,242,909.50
2102 - 04	Audit Fees	254,000.00	350,000.00
2105 - 02	Depreciation	7,165,866.04	4,332,804.36
	Total	8,992,443.04	5,925,713.86

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the Year ended 31st December, 2020

Note 12 - Property, Plant & Equipment :-

	Cost or Revaluation as at 01/01/2020	Additions 2020	Removals 2020	Total As at 31/12/2020	Depreciation As at 01.01.2020	Depreciation 2020	W.D.V. as at 31/12/2020
2201-01 Land	406,890,000.00	-	-	406,890,000.00	-	-	406,890,000.00
2201-02 Buildings	16,820,172.13	310,700.00	-	17,130,872.13	12,590,096.60	843,987.92	3,696,787.61
2201-04-01 Vehicles	24,100,000.00	-	-	24,100,000.00	1,606,666.67	4,820,000.00	17,673,333.33
2201-04-02 Machinery & Office Equipment	3,965,379.17	1,164,529.00	-	5,129,908.17	132,827.80	410,435.55	4,586,644.82
2201-04-03 Computers & Computer Accessories	3,533,080.28	1,156,670.00	-	4,669,750.38	217,183.15	819,164.36	3,633,403.07
2201-04-04 Furniture & Fittings	1,993,141.17	-	-	1,993,141.17	66,438.88	199,313.28	1,727,389.01
2201-04-05 Library Books	730,649.38	-	-	730,649.38	432,787.51	72,964.93	224,896.94
Total	458,032,422.43	2,611,899.00	-	460,644,321.43	15,046,000.61	7,165,866.04	438,432,454.78

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the Year ended 31st December, 2020

<u>Note 13 - Working in Progress</u>							
Description		Cost As at 01/01/2020	Additions 2020	Removals 2020	Total As at 31/12/2020	Depreciation As at 01.01.2020	Depreciation 2020
2201 - 02 - 02 Construction Building		45,357,072.25	-	-	45,357,072.25	-	-
		<u>45,357,072.25</u>	<u>-</u>	<u>-</u>	<u>45,357,072.25</u>	<u>-</u>	<u>-</u>
							W.D.V. as at 31/12/2020
							<u>45,357,072.25</u>
							<u>45,357,072.25</u>

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2020

			<u>31/12/2020</u>	<u>31/12/2019</u>
Note 14 - Stocks :-				
2202 - 01	Stationary	Annexure I	322,661.90	180,594.85
2202 - 02	Publication		1,517,201.90	1,517,201.90
	Total		1,839,863.80	1,697,796.75
Note 15 - Pre - Payments & Receivables :-				
2206 - 01	Insurance	Annexure II	142,423.03	139,548.70
2206 - 02	Others	Annexure III	20,212.79	83,800.62
2206 - 03	Refundable Deposits	Annexure IV	127,250.00	127,250.00
2206 - 04	Ministry of PC & LG	Annexure V	492,000.00	492,000.00
2206 - 05	FD Interest Receivable		173,589.04	283,068.49
	Total		955,474.86	1,125,667.81
Note - 16 - Debtors & Advance :-				
	Debtors			
2203 - 01	Trade Debtors	Annexure VI	31,218.65	31,218.65
2203 - 02	Sundry Debtors	Annexure VII	856,861.48	997,843.03
	Advances			
2204 - 02	Special Advance	Annexure VIII	7,450.00	9,850.00
2204 - 04	Festival Advance	Annexure IX	12,350.00	21,100.00
2204 - 05	Staff Loan - Property Loan	Annexure X	4,903,798.51	5,589,829.51
2204 - 06	Staff Loan - Distress Loan	Annexure XI	2,980,287.75	3,578,047.52
2205 - 02	Advance to Credit Purchases	Annexure XII	99,000.00	99,000.00
2205 - 06	Incidental Advance	Annexure XIII	226,381.25	-
2205 - 08	Advance to Research	Annexure XIV	1,125,000.00	1,125,000.00
	Total		10,242,347.64	11,451,890.71
Note - 17 - Cash and Cash Equivalents :-				
2207 - 02	Bank of Ceylon - A/C No. 2323344		11,526,068.72	11,539,589.39
2207 - 03	Bank of Ceylon - A/C No. 2323350		3,527,354.42	1,092,871.09
2207 - 04	Savings Account - Bank of Ceylon - A/C No. 2329975		5,072,193.31	3,708,610.28
	Total		20,125,616.45	16,341,070.76

SRI LANKA INSTITUTE OF LOCAL GOVERNANCE

NOTES TO THE ACCOUNTS

For the year ended 31st December, 2020

		<u>31/12/2020</u>	<u>31/12/2019</u>
<u>Note - 18 - Retirement Benefit Obligations :-</u>			
	Opening Balance	7,433,048.50	7,645,407.50
	Provisions During the Period	1,572,577.00	1,242,909.50
	Actual Amount Paid	-	(1,455,268.50)
	Closing Balance	<u>9,005,625.50</u>	<u>7,433,048.50</u>
	Annexure IV		
<u>Note - 19 - Creditors & Accrued Charges :-</u>			
2103 - 01	Accrued Charges	Annexure XVI 613,246.92	860,604.32
2103 - 03	Advance UNHABITAT SL Cities Project (Payable)	270,090.00	270,000.00
2103 - 04	Advance UNDP CDLG Project (Payable)	2,086,705.06	-
2103 - 05	Deposits - Tender	45,000.00	45,000.00
2103 - 06	E.P.F Payable	-	29,073.25
2103 - 07	Provision for Certificate Course In Com App 2020	223,500.00	-
2103 - 09	E.T.F Payable	-	3,488.79
2103 - 10	Sundry Creditors	-	784,732.00
2103 - 11	Other Bank Deduction Payable	-	15,000.00
2103 - 12	Welfare Payable	-	5,740.00
2103 - 13	Stamp Duty Payable	3,925.00	25.00
	Total	<u>3,242,376.98</u>	<u>2,013,663.36</u>

ACCOUNTING NOTES

- 1.1 Financial Statements of the institute prepared in accordance with Sri Lanka Public Sector Accounting Standards.
- 1.2 Presentation of financial statements and cash flow statement in accordance to Sri Lanka Public Sector Accounting Standard 1 & 2.
- 1.3 According to Sri Lanka Public Sector Accounting Standard 09 Stock measured at the lower value of cost or net realizable value.
- 1.4 Non-Current assets are disclosed accordance with Sri Lanka Public Sector Accounting Standard 07.
- 1.5 Depreciation is provided the date of use of the assets during the year 2020 on straight line basis.
- 1.6 Land & Building valuation for Accounts purpose was carried out from Department of Valuation during the year 2015 which Ownership transferred from the Ministry of Public Administration during the year of 2004. Depreciation for Buildings was calculated from the year 2004 and retrospective impact adjusted to Accumulated Funds.
- 1.7 There was no any adjustment made for inflationary factors affecting the accounts in the primarily financial statements.
- 1.8 Among the items transferred from Ministry of Provincial Council and Local Government certain items were appeared immaterial in pricing. A decision was taken to record items value more than LKR 5,000.00 from the ministry.
- 1.9 Total NELSIP Grant was LKR. 1,826,177.50 Which received through ministry in 2017. Total grant value stated in Statement of changes in net assets and 20% of annual depreciation value will capitalized for the five years' time period.

1.10 For the purpose of depreciation, the effective life time Assets are as given below

Category of Assets	Life Time Year	Depreciation Rate
Machinery & Office Equipment's	10	10%
Computers & Accessories	5	20%
Vehicles	5	20%
Library Books	10	10%
Buildings	20	5%
Furniture & Fittings	10	10%

1.11 Institute has revalued all the Non – Current assets (**Except Building & Library Books**)
W.E.F 01.09.2019. Differences of physical valuation balance adjusted to Government
Contribution capital and gain of revaluation has been transferred to Revaluation reserve.

2. GOVERNMENT CAPITAL CONTRIBUTION.

Government contribution capital value consists with LKR 33.5 Mn. grants for purchasing vehicles, LKR. 44 Mn. grants for constructing new building and LKR 422.55 Mn. value of land & Building.

3. LIABILITIES AND PROVISIONS

A provision of LKR 9,005,625.50 has been made in the accounts for terminal benefits under the Gratuity Act no 12 of 1983 and this has been grouped under non-Current Liabilities in the Balance Sheet. This Position is prudent, fair and reasonable.

4. CAPITAL IMPREST AND EXPENDITURE

Government contribution for capital consists with two elements. Human resource development expenses (Officers and elected members of LA's & PC's) and expenditure incurred for the purpose of acquiring, extending or improving non-current assets. Purchasing and improvement of non-current assets and expenses borne for Human resource development (Staff and elected members of LA's & PC's) considered as a capital expense.

5. WORKING CAPITAL

Construction of new building treated as a working capital and grouped under non-current assets in the balance sheet. However, constructions have not been carried out since 2014.

6. REVOLVING FUND FOR STAFF LOANS

Saving A/C no. 2329975 existing for the purpose of staff loan. Interest of staff loan & Saving A/C grouped under other income. However, those interest amounts directly remittance to the saving A/C itself and only use for purpose of granting distress loans to the employees.

7. INVESTING ON TERM DEPOSITS

Management has taken decision to Invest LKR.18 Million in a Fixed Deposit for a one-year time period commence from 29.10.2020.

Sri Lanka Institute of Local Governance
Stationery Stock as at 31/12/2020

Annexure I

Account # 2202 - 01

Particular	Qty	Unit Price	Total Amount
Photocopy A4	16	700.00	11,200.00
Color Paper A4 - Ivory	06	925.00	5,550.00
Color Paper A4 - Peach	03	925.75	2,777.25
Color Paper A4 - Green	05	925.75	4,628.75
Color Paper A4 - Ocean	03	931.50	2,794.50
Half Sheet	14	471.45	6,600.30
Envelop with Logo - A4 (10 x 12)	950	9.00	8,550.00
Envelop with Logo - Legal (10 x 15)	75	9.30	697.50
Envelop with Logo - Legal (10 x 15)	2500	9.15	22,875.00
Envelop with Logo - 9.5 x 4.5)	550	3.60	1,980.00
Printed Paper File Cover	5900	6.00	35,400.00
Printed Pen-Blue	2183	8.25	18,009.75
Latter Head	1880	6.60	12,408.00
Sign Pen	05	59.40	297.00
White Board Marker	14	40.00	560.00
Permenant Marker	03	48.30	144.90
Highlite Pen	02	52.60	105.20
Pen - Red	11	15.67	172.37
Pen - Black	19	15.67	297.73
CR Book - 200 Pgs	01	148.38	148.38
Red Tape	38	29.90	1,136.20
Celleotape 1"	05	26.30	131.50
Celleotape 2"	05	50.72	253.60
BindingTape - 1" Red	03	133.40	400.20
BindingTape - 2" Red	05	169.70	848.50
BindingTape - 2" Yellow	01	169.70	169.70
BindingTape - 2" Blue	04	133.40	533.60
BindingTape - 2" Black	04	133.40	533.60
Note Book	07	53.54	374.78
Duster Cloth	35	69.00	2,415.00
Tipex	03	58.00	174.00
Stapler Pin 24/6	03	43.13	129.39
File Clips	07	23.00	161.00
File Clips	10	26.25	262.50
File Tag	200	2.38	476.00
Stick Note / IT Flag	04	65.55	262.20
Foot Ruler	05	27.70	138.50
Buldo Clip	22	10.35	227.70
Buldo Clip	10	24.50	245.00
Glue Pen	03	34.50	103.50
White Board Duster	03	57.50	172.50
Pencil	32	12.65	404.80
Eraser	07	7.86	55.02
Divisional File Covers	800	25.10	20,080.00
Seccior	01	140.00	140.00
Pad Ink	04	57.50	230.00
File Docut	100	80.50	8,050.00

<i>Particular</i>	<i>Qty</i>	<i>Unit Price</i>	<i>Total Amount</i>
Graph Papers	150	1.50	225.00
Stapler Pin 23/17	01	172.50	172.50
Stapler Pin 23/17	05	138.00	690.00
Hp Cartridge Model P1102 - CE 435A	02	7,000.00	14,000.00
HP Cartridge Toner CE 320A (128A)	01	9,300.00	9,300.00
HP Cartridge Toner CE 321A	01	9,000.00	9,000.00
HP Cartridge Toner CE 322A	01	9,000.00	9,000.00
HP Cartridge Toner CE 323A	01	9,000.00	9,000.00
Canon CRG 328	01	7,200.00	7,200.00
Canon CRG 328	02	7,500.00	15,000.00
Hp Cartridge Model P1102 - CE 285A	01	8,000.00	8,000.00
Samsung Toner MLT-D101S/XSG	01	8,500.00	8,500.00
Samsung Toner MLT -D116S/XIP	01	9,400.00	9,400.00
Toshiba Estudio T-2309P	01	10,250.00	10,250.00
HP Laser jet 26A (CF 226A)	02	10,000.00	20,000.00
Duplo Ink	01	4,887.50	4,887.50
Duplo Master Roll	01	12,650.00	12,650.00
Two Ring File	02	179.76	359.52
File Fastner	01	92.74	92.74
Pencil Sharpner	04	12.21	48.84
Magazine Holder	06	263.40	1,580.38
Total			322,661.90

Sri Lanka Institute of Local Governance
Insurance Pre Payments Schedule As at 31/12/2020
Account # 2206-01

Annexure II

<i>P. V. No</i>	<i>Name of Payee</i>	<i>Particulars</i>	<i>Amount</i>
116	Sri Lanka Insurance Cooperation	Insurance renewal charges for Vehicle No. NA - 9428 from 16/02/2020 to 15/02/2021	17,312.36
321	Sri Lanka Insurance Cooperation	Insurance renewal charges for Vehicle No. NB- 2751 from 16/03/2020 to 15/03/2021	16,497.57
544	Sri Lanka Insurance Cooperation	Insurance renewal charges for Vehicle No. JL 5250 from 29/06/2020 to 28/06/21	33,849.58
604	Sri Lanka Insurance Cooperation	Insurance renewal charges for Vehicle No KO 8510 from 06/08/2020 to 15/08/2021	25,343.39
605	Sri Lanka Insurance Cooperation	Insurance renewal charges for Vehicle No PE 1401 from 09/08/2020 to 08/08/2021	49,420.13
Total			142,423.03

Sri Lanka Institute of Local Governance
Prepayments Others Schedule As at 31/12/2020
Accounts # 2206-02

Annexure III

<i>P. V. No</i>	<i>Name of Payee</i>	<i>Particulars</i>	<i>Amount</i>
282	John Keells office Automation (Pvt) Ltd	Service Agreement for Toshiba E studio-357 from 01/03/2020 to 28/02/2021	3,243.14
386	John Keells office Automation (Pvt) Ltd	Service Agreement for Toshiba E studio, Photo copier -2309A from 01/03/2020 - 28/02/2021	6,080.88
541	Colt Trading Company (Pvt) Ltd	Service agreement of Duplo Machine DPJ 450 period of 03/01/2020 to 02/07/2021	10,888.77
<i>Total</i>			<i>20,212.79</i>

Sri Lanka Institute of Local Governance
Advance to Research Schedule As at 31/12/2020
Accounts # 2205-08

Annexure XIV

<i>Voucher No</i>	<i>Supplier</i>	<i>Total</i>
2018 - 1077	Faculty Development Fund, Faculty of Management Studies - University of Sri Jayawardhanapura	750,000.00
2018 - 1975	Faculty Development Fund, Faculty of Management Studies - University of Sri Jayawardhanapura	375,000.00
	<i>Total</i>	<i>1,125,000.00</i>

Sri Lanka Institute of Local Governance
Provision For Gratuity As at 31.12.2020

Emp: No	Employee Name	Consolidated Salary	Cost Of Living	Total	1/2 Salary	Date Of Joined	No. Of Completed Years	Prov. for Gratuity
01	Ms. K. A. P. R. Kariyapperuma	65,550.00	7,800.00	73,350.00	36,675.00	01.01.2000	21	770,175.00
07	Mr. P. D. L. Fernandopulle	101,546.00	7,800.00	109,346.00	54,673.00	01.06.2000	20	1,093,460.00
16	Ms. O. W. T. P. Owitipana	33,310.00	7,800.00	41,110.00	20,555.00	01.07.2001	19	390,545.00
28	Mr. C. B. Karunaratna	30,340.00	7,800.00	38,140.00	19,070.00	01.04.2005	15	286,050.00
30	Mr. R. M. A. K. Rathnayaka	114,345.00	7,800.00	122,145.00	61,072.50	05.12.2003	17	1,038,232.50
31	Mr. R. R. P. W. Sujath Bandara	29,260.00	7,800.00	37,060.00	18,530.00	17.10.2005	15	277,950.00
34	Ms. D. M. T. Randunu	32,410.00	7,800.00	40,210.00	20,105.00	01.10.2005	15	301,575.00
35	Ms. H. D. M. Priyadarshani	32,410.00	7,800.00	40,210.00	20,105.00	01.10.2005	15	301,575.00
36	Mr. A. Dodangoda	59,470.00	7,800.00	67,270.00	33,635.00	01.07.2005	15	504,525.00
46	Ms. S. N. P. Rosa	42,500.00	7,800.00	50,300.00	25,150.00	15.06.2005	15	377,250.00
48	Mr. D. M. J. Pushpa Kumara	42,500.00	7,800.00	50,300.00	25,150.00	15.06.2005	15	377,250.00
52	Ms. B. G. Dingiri Amma	27,750.00	7,800.00	35,550.00	17,775.00	01.10.2005	15	213,300.00
54	Mr. P. S. Dharmarathna	73,800.00	7,800.00	81,600.00	40,800.00	02.06.2008	12	571,200.00
56	Mr. L. S. Sampath	29,550.00	7,800.00	37,350.00	18,665.00	01.01.2007	14	223,980.00
62	Ms. M. D. I. D. Wijemanna	35,315.00	7,800.00	43,115.00	21,557.50	01.09.2008	12	258,690.00
63	Mr. N. H. D. Thushara	29,260.00	7,800.00	37,060.00	18,530.00	15.09.2008	12	203,830.00
65	Ms. S. A. S. S. Niranjala Perera	51,660.00	7,800.00	59,460.00	29,730.00	04.05.2009	11	356,760.00
67	Ms. M. S. C. Wimalaweera	31,510.00	7,800.00	39,310.00	19,655.00	17.11.2008	12	235,860.00
75	Ms. W. H. M. N. N. G. P. Pilapitiya	77,841.00	7,800.00	85,641.00	42,820.50	17.09.2009	11	471,025.50
82	Ms. A. P. Rathnayake	30,010.00	7,800.00	37,810.00	18,905.00	02.09.2013	7	132,335.00
94	Mr. P. A. D. Hiran Radisha	46,375.00	7,800.00	54,175.00	27,087.50	03.06.2015	5	135,437.50
98	Mr. A. D. Weerasekara	41,745.00	7,800.00	49,545.00	24,772.50	29.06.2015	5	123,862.50
107	Mr. A. E. Samarathne	42,600.00	7,800.00	50,400.00	25,200.00	03.07.2017	3	75,600.00
108	Mr. J. K. Krishantha	25,500.00	7,800.00	33,300.00	16,650.00	16.08.2017	3	49,950.00
109	Mr. A. A. H. N. Adikari	25,500.00	7,800.00	33,300.00	16,650.00	16.08.2017	3	49,950.00
110	Mr. N. S. D. Perera	25,500.00	7,800.00	33,300.00	16,650.00	16.08.2017	3	49,950.00
114	Ms. N. P. Wickramanayake	28,210.00	7,800.00	36,010.00	18,005.00	07.03.2019	1	18,005.00
115	Ms. J. H. G. Tharuka Perera	28,210.00	7,800.00	36,010.00	18,005.00	07.03.2019	1	18,005.00
118	Mr. K. M. Lokuhetti	57,300.00	7,800.00	65,100.00	32,550.00	01.10.2019	1	32,550.00
119	Ms. S. Y. Mahagodage	38,725.00	7,800.00	46,525.00	23,262.50	01.10.2019	1	23,262.50
122	Ms. P. H. U. Sandamali	38,725.00	7,800.00	46,525.00	23,262.50	01.10.2019	1	23,262.50
123	Ms. P. G. P. D. Dharmasiri	32,645.00	7,800.00	40,445.00	20,222.50	01.10.2019	1	20,222.50
Total								9,005,625.50

Sri Lanka Institute of Local Governance

Annexure XVI

Accrued Charges Schedule As at 31.12.2020

Account # 2103 - 01

Date	Name	V. No.	Amounts
05/01/2021	G. A.P.P. Perera	02	10,500.00
05/01/2021	L. K.L. Ransini	03	10,500.00
05/01/2021	M. A. A. Randika Perera	04	10,500.00
05/01/2021	D.M. Kavishka Bandara	05	10,500.00
05/01/2021	I. L. Mayadunne	06	10,500.00
07/01/2021	Commercial Field Security Services (Pvt) Ltd	07	141,453.00
07/01/2021	Nipuni Cleaning Services (Pvt) Ltd	08	70,916.17
07/01/2021	A. E. Samararathna - Holiday Pay-December 2020	11	4,260.00
07/01/2021	N. H. D. Thushara - Overtime December 2020	12	11,338.56
07/01/2021	L. S. Sampath - Overtime December 2020	13	3,691.20
07/01/2021	N. H. D. Thushara - Travelling Allowance December 2020	14	1,137.50
12/01/2021	Sri Lanka Telecom Plc	18	15,294.42
12/01/2021	M. S. Antony	19	3,765.00
12/01/2021	American Premium Water Systems (Pvt) Ltd	20	2,403.56
12/01/2021	Markfed	21	10,320.96
12/01/2021	R.M.A.K.Rathnayake - Mobile bill November 2020	22	1,821.83
12/01/2021	K.A.P.R.Kariyapperuma - Mobile bill December 2020	23	2,686.70
12/01/2021	P.A.D.Hiran Rdeesha - Telephone bill December 2020	24	2,598.35
12/01/2021	P.A.D.Hiran Rdeesha - Mobile bill December 2020	25	1,504.85
12/01/2021	K. M. Louhetti - Mobile bill December 2020	26	3,412.16
12/01/2021	Anjana Dodamgoda - Telephone bill December 2020	27	3,494.15
12/01/2021	Anjana Dodamgoda - Mobile bill November 2020	28	587.62
12/01/2021	J. J. Liyanage - Telephone bill December 2020	29	3,778.76
12/01/2021	P. S. Dharmarathne - Telephone bill December 2020	30	3,959.59
12/01/2021	Anjana Dodamgoda - Mobile bill December 2020	31	600.25
12/01/2021	S.Bandara - Overtime December 2020	32	9,356.59
12/01/2021	Chandika Bandara - Overtime December 2020	33	7,901.25
18/01/2021	J. K. Enterprises	40	221,475.00
18/01/2021	R.M.A.K.Rathnayake - Mobile bill December 2020	41	1,568.53
18/01/2021	S.A.S. S. Niranjala Perera	42	2,177.62
19/01/2021	National Water Supply and Drainage Board	44	7,679.52
19/01/2021	Sri Lanka Telecom Plc	45	21,563.78
Total			613,246.92

Message of Director/ Chief Executive Officer



It a pleasure to be able to present the annual report and audited financial statement of Sri Lanka Institute of Local governance. Further improvement of the performance of the Sri Lanka Institute of Local Governance is required to speed up meeting the future need of local government institutions and to successfully face the future challenges they might have to encounter. However, the performance of the institution was greatly affected due to the Covid 19 pandemic situation in 2020.

Vision

It has been planned to prepare a methodology for capacity development under the supervision of this institution in association with non-governmental organizations that function related to local governance. In 2020, conducting training workshops for local government institutions in Northern, Eastern, Northwestern and Uva provinces were initiated on an agreement with the United Nations Development Program (UNDP) under the UNDP-CDLG project.

- Coordination with Deputy Chief Secretaries (Training) and Deputy Chief Secretaries (Planning) was done during MDTU meetings to strengthen the relationship with MDTU units.
- While a training effects investigation and training needs investigation was done with the determination of receiving feedback on the performance of the Sri Lanka Institute of Local Governance from the administrative division, a search was done about the backward divisions of local government institutions as well.
- Conducting training workshops, diploma and certificate courses via physical and online methods for the capacity development of public representatives and officers of local government institutions.

Administrative point of view

The main problems that were identified in going to achieve the expected goals and objectives by the Sri Lanka Institute of Local Governance in 2020 can be emphasized as shown below.

- Inadequate staff in comparison to the functions of the institution.
- Building the proposed new building.
- Not having conducted the efficiency cut off examination even by 2020 since the beginning of the institution.

Basic strategies

Due to the economic and social effect that arose in the country with the Covid 19 pandemic situation, it was a challenge to achieve the targets and objectives expected to be accomplished by the institution in 2020 in the same manner.

Due to the inability to conduct physical workshops as planned in 2020, steps were taken to conduct short term training workshops virtually through zoom technology from 2021. Further, while only a few of the workshops planned under the UNDP project were conducted physically in 2020, the remaining workshops were decided to be conducted virtually with the Covid 19 pandemic situation.

My special gratitude goes to the respected cabinet minister and state minister for the guidance and advice given for the accomplishment of the goals of the institution and I wholeheartedly remind the secretary of the ministry of public administration, home affair, provincial councils and local governments for his service given by leading the Sri Lanka Institute of Local Governance as the chairmen. Further, I appreciate the commitment and effort of the institutional staff that worked to maintain the activities of the institution continuously despite the various obstacles and challenges.

(Signed)

Dr. D.M. Surathissa Dissanayaka

Director/ Chief Executive Officer